

Siyancuma

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2012

SIYANCUMA LOCAL MUNICIPALITY

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SIYANCUMA LOCAL MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

GENERAL INFORMATION

NATURE OF BUSINESS

Siyancuma Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

Siyancuma Municipality is a South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Siyancuma Municipality includes the following areas:

Douglas
Griekwastad
Campbell
Schmidsdrift

MEMBERS OF THE COUNCIL

Mayor	<i>L. Oliphant</i>
Councillor	<i>J. George</i>
Councillor	<i>M. Selebogo</i>
Councillor	<i>S. Mosette</i>
Councillor	<i>P. McKlein</i>
Councillor	<i>D. Koopman</i>
Councillor	<i>A. Oliphant</i>
Councillor	<i>M. Eland</i>
Councillor	<i>V.V. Adams</i>
Councillor	<i>R. Booysen</i>
Councillor	<i>L. Van Niekerk</i>

MUNICIPAL MANAGER

I.W.J. Stadhouer

CHIEF FINANCIAL OFFICER

C.J.B. Müller

REGISTERED OFFICE

<i>7 Charl Street</i>	<i>P.O. Box 27</i>
<i>Douglas</i>	<i>Douglas</i>
<i>8730</i>	<i>8730</i>

AUDITORS

Auditor-General (NC)
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

Standard Bank, Douglas *First National Bank, Douglas*

ATTORNEYS

Herman van Heerder Attorneys

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

SIYANCUMA LOCAL MUNICIPALITY

MEMBERS OF THE SIYANCUMA LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	<i>J. George</i>
2	<i>M. Selebogo</i>
3	<i>S. Mosetle</i>
4	<i>P. McKlein</i>
5	<i>D. Koopman</i>
6	<i>A. Oliphant</i>
Proportional	<i>L. Oliphant</i>
Proportional	<i>M. Eland</i>
Proportional	<i>V.V. Adams</i>
Proportional	<i>R. Booysen</i>
Proportional	<i>L. Van Niekerk</i>

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2012, which are set out on pages 1 to 61 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2012 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

I.W.J Stadhouer
Municipal Manager

31 August 2012
Date

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012

	Notes	2012 R	2011 R
NET ASSETS AND LIABILITIES			
Net Assets		281 638 148	285 026 608
Accumulated Surplus		281 638 148	285 026 608
Non-Current Liabilities		18 955 592	17 001 127
Long-term Liabilities	2	4 077 564	3 067 420
Employee benefits	3	9 930 579	9 221 851
Non-Current Provisions	4	4 947 449	4 711 856
Current Liabilities		31 434 151	16 291 696
Consumer Deposits	5	175 556	184 484
Current Employee benefits	6	2 823 034	1 856 469
Payables From Exchange Transactions	7	4 542 218	3 625 492
Unspent Conditional Government Grants and Receipts	8	22 542 698	9 949 920
Operating Lease Liability	20	30 017	38 631
Current Portion of Long-term Liabilities	2	1 320 628	636 700
Total Net Assets and Liabilities		332 027 891	318 319 431
ASSETS			
Non-Current Assets		291 327 973	290 389 614
Property, Plant and Equipment	10	278 980 815	278 574 292
Investment Property	11	9 982 000	9 982 000
Intangible Assets	12	480 154	523 065
Biological Assets	13	1 059 200	467 700
Capitalised Restoration Cost	14	677 178	724 257
Operating Lease Asset	20	148 626	118 300
Long-Term Receivables	15	-	-
Current Assets		40 699 918	27 929 817
Inventory	16	207 092	99 949
Trade Receivables from exchange transactions	17	9 931 327	6 681 658
Other Receivables from non-exchange transactions	18	1 069 565	3 040 576
Unpaid Conditional Government Grants and Receipts	8	3 665 600	3 717 416
Taxes	9	1 814 561	1 225 950
Cash and Cash Equivalents	21	24 011 773	13 164 268
Total Assets		332 027 891	318 319 431

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 (Actual) R	2011 (Restated) R	Correction of error R	2011 (Previously reported) R
REVENUE					
Revenue from Non-exchange Transactions		49 685 781	50 135 944	-	50 135 944
Taxation Revenue		5 767 672	5 734 430	-	5 734 430
Property taxes	22	5 767 672	5 734 430	-	5 734 430
Transfer Revenue		41 125 778	44 335 765	-	44 335 765
Government Grants and Subsidies - Capital	23	7 121 879	17 028 912	-	17 028 912
Government Grants and Subsidies - Operating	23	34 003 899	27 306 853	-	27 306 853
Other Revenue		2 792 331	65 749	-	65 749
Third Party Payments		87 701	-	-	-
Fines		51 450	60 978	-	60 978
Licences and Permits		6 526	4 771	-	4 771
Gain on disposal of PPE		25 329	-	-	-
Actuarial Gains	3	358 348	-	-	-
Contributed PPE	10	1 671 477	-	-	-
Change in fair value of biological assets	13	591 500	-	-	-
Revenue from Exchange Transactions		33 593 394	35 519 641	1 550	35 518 091
Service Charges	24	31 054 175	31 646 325	-	31 646 325
Rental of Facilities and Equipment		252 656	341 383	1 345	340 038
Interest Earned - external investments		970 293	679 991	205	679 786
Interest Earned - outstanding debtors		472 737	389 874	-	389 874
Agency Services		532 873	616 236	-	616 236
Other Income	25	310 660	1 845 832	-	1 845 832
Total Revenue		83 279 175	85 655 585	1 550	85 654 035
EXPENDITURE					
Employee related costs	26	28 374 719	20 812 589	-	20 812 589
Remuneration of Councillors	27	2 322 056	1 933 217	-	1 933 217
Debt Impairment	28	8 124 449	6 650 406	-734 116	7 384 522
Depreciation and Amortisation	10	11 033 504	9 960 997	-466 944	10 427 941
Impairments	28	-	-	-	-
Repairs and Maintenance		3 070 020	2 083 041	-	2 083 041
Actuarial losses	3	231 205	2 377 213	-	2 377 213
Finance Charges	29	1 526 146	1 930 390	168 062	1 762 328
Bulk Purchases	30	20 925 178	14 651 746	-	14 651 746
Grants and Subsidies Paid	31	14 350	165 463	-	165 463
Other Operating Grant Expenditure		2 194 896	2 027 033	-	2 027 033
Loss on disposal of PPE	10	61 697	67 000	67 000	-
General Expenses	32	8 789 427	10 659 002	-125 400	10 784 402
Total Expenditure		86 667 647	73 318 097	-1 091 398	74 409 495
NET SURPLUS/(DEFICIT) FOR THE YEAR		(3 388 472)	12 337 488	1 092 948	11 244 540

SIYANCUMA LOCAL MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Accumulated Surplus/ (Deficit)	Total
		R	R
Balance at 1 JULY 2010		272 375 452	272 375 452
Correction of error	33.08	313 661	313 661
Restated Balance at 1 JULY 2010		272 689 113	272 689 113
Net Surplus for the year		11 244 540	11 244 540
Correction of error	33.09	1 092 949	1 092 949
Rounding		6	6
Restated Balance at 1 JULY 2010		285 026 608	285 026 608
Net Surplus for the year		-3 388 472	-3 388 472
Rounding		12	12
Balance at 30 JUNE 2012		281 638 148	281 638 148

SIYANCUMA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 R	2011 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		41 963 243	33 215 937
Government - operating		34 003 899	27 306 853
Government - capital		7 121 879	17 028 912
Interest		1 443 030	1 069 865
Payments			
Suppliers and employees		(64 054 899)	(52 223 949)
Finance charges		-1 526 146	-1 930 390
Transfers and Grants		(14 350)	(165 463)
Net Cash from Operating Activities	34	18 936 656	24 301 765
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	10	-9 368 590	-18 669 888
Proceeds on Disposal of Fixed Assets		103 500	-
Purchase of Intangible Assets	12	-25 700	-183 004
Net Cash from Investing Activities		-9 290 790	-18 852 892
CASH FLOW FROM FINANCING ACTIVITIES			
Loans raised		2 246 925	3 458 529
Loans (repaid)		-1 036 372	-2 383 591
(Increase)/Decrease in Long-term Receivables		-	16 047
Increase/(Decrease) in Consumer Deposits		-8 928	11 349
Rounding		15	7
Net Cash from Financing Activities		1 201 640	1 102 341
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10 847 505	6 551 214
Cash and Cash Equivalents at the beginning of the year		13 164 268	6 613 054
Cash and Cash Equivalents at the end of the year	35	24 011 773	13 164 268
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10 847 505	6 551 214

INSERT ACCOUNTING POLICY

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

2

LONG TERM LIABILITIES

Annuity Loans - At amortised cost
Capitalised Lease Liability - At amortised cost
Balance as previously reported
Correction of Error

	2012 R	2011 R
	2 391 293	521 779
	3 006 899	3 182 341
	-	2 472 881
33.05	-	709 460
	5 398 192	3 704 120
	1 320 628	636 700
	543 590	165 426
	777 038	471 274
	4 077 564	3 067 420

Less: Current Portion transferred to Current Liabilities

Annuity Loans - At amortised cost
Capitalised Lease Liability - At amortised cost

Total Long-term Liabilities - At amortised cost using the effective interest rate method

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

Payable within one year
Payable within two to five years
Payable after five years

	2012 R	2011 R
	782 925	232 047
	2 203 351	434 894
	-	-
	2 986 276	666 941
	(595 016)	(145 169)
	2 391 260	521 773

Less: Future finance obligations

Present value of annuity obligations

Annuity loans at amortised cost is calculated at 10.05%-16.05% interest rate, with maturity date of 1 December 2016.

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

Payable within one year
Payable within two to five years
Payable after five years

	2012 R	2011 R
	1 053 108	918 360
	2 533 006	3 068 041
	-	-
	3 586 114	3 986 401
	(579 214)	(804 061)
	3 006 900	3 182 340

Less: Future finance obligations

Present value of lease obligations

Finance lease agreement is calculated at an interest rate of 9%-11%. With a last maturity date of 30 October 2016. No escalation clauses or purchase options exists on these finance lease contracts and contracts are not renewed, but replaced after completion of the contract.

Refer to note 10 for the finance lease assets capitalised.

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

For each class of finance lease liability, the net carrying amount at the reporting date:

Nashua - GK500568-500586
PABX - MP 2000 and DTPC 430
CCTV camera P10400003
MP 201 SPF
PABX - PA 188918
Various A
Various B

	2 001 606	2 472 881
	116 503	-
	106 292	-
	47 219	-
	163 910	-
	119 770	146 679
	451 599	562 781
	3 006 899	3 182 341

The depreciation and the finance charge relating to the leased asset was included as part of the total depreciation and finance charges respectively. Please refer to note 10 and note 29

3

EMPLOYEE BENEFITS

Post Retirement Benefits
Long Service Awards

	2012 R	2011 R
3.1	8 608 821	8 209 389
3.2	1 321 758	1 012 462
	9 930 579	9 221 851

Post Retirement Benefits

Balance 1 July
Contribution for the year
Expenditure for the year
Actuarial Loss/(Gain)

	8 537 853	5 578 561
	(328 464)	(177 720)
	1 041 088	760 862
	(358 348)	2 376 150
	8 892 129	8 537 853
6	(283 308)	(328 464)
	8 608 821	8 209 389

Total post retirement benefits 30 June

Less: Transfer of Current Portion

Balance 30 June

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

3	EMPLOYEE BENEFITS (CONTINUE)		2012	2011
			R	R
	<u>Long Service Awards</u>			
	Balance 1 July		1 134 463	1 039 472
	Contribution for the year		(151 905)	(139 263)
	Expenditure for the year		207 661	233 191
	Actuarial Loss/(Gain)		231 205	1 063
	Total long service 30 June		1 421 424	1 134 463
	Less: Transfer of Current Portion	6	(99 666)	(122 001)
	Balance 30 June		1 321 758	1 012 462
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>			
	Balance 1 July		9 672 316	6 618 033
	Contribution for the year		(480 369)	(316 983)
	Expenditure for the year		1 248 749	994 053
	Actuarial Loss/(Gain)		(127 143)	2 377 213
	Total employee benefits 30 June		10 313 553	9 672 316
	Less: Transfer of Current Portion	6	(382 974)	(450 465)
	Balance 30 June		9 930 579	9 221 851
3.1	Post Retirement Benefits			
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:			
			2012	2011
			Number of	Number of
			members	members
	In-service (employee) members		45	49
	Continuation members (e.g. Retirees, widows, orphans)		11	15
	Total Members		56	64
			R	R
	The liability in respect of past service has been estimated to be as follows:			
	In-service members		5 006 496	4 807 030
	Continuation members		3 885 633	3 730 823
	Total Liability		8 892 129	8 537 853
	The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:			
		2010	2009	2008
		R	R	R
	In-service members	2 612 239	3 403 537	-
	Continuation members	2 966 322	1 939 826	-
	Total Liability	5 578 561	5 343 363	-
	Bonitas	Keyhealth	Samwumed	
	LA Health	Hosmed		
	Key actuarial assumptions used:		%	%
	i) Rate of interest			
	Discount rate		7.78%	8.60%
	Health Care Cost Inflation Rate		6.97%	7.28%
	Net Effective Discount Rate		0.76%	1.23%
	ii) Mortality rates			
	The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.			
	iii) Normal retirement age			
	It has been assumed that in-service members will retire at ages 65 (male) and 60 (female), which then implicitly allows for expected rates of early and ill-health retirement.			
			2012	2011
			R	R
	The amounts recognised in the Statement of Financial Position are as follows:			
	Present value of fund obligations		8 892 129	8 537 853
	Net liability/(asset)		8 892 129	8 537 853
	The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).			

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

3	EMPLOYEE BENEFITS (CONTINUE)				2012	2011
					R	R
	Reconciliation of present value of fund obligation:					
	Present value of fund obligation at the beginning of the year				8 537 853	5 578 561
	Total expenses				712 624	583 142
	Current service cost				320 709	254 516
	Interest Cost				720 379	506 346
	Benefits Paid				(328 464)	(177 720)
	Actuarial (gains)/losses				(358 348)	2 376 150
	Present value of fund obligation at the end of the year				8 892 129	8 537 853
	Less: Transfer of Current Portion			6	(283 308)	(328 464)
	Balance 30 June				8 608 821	8 209 389
	Sensitivity Analysis on the Accrued Liability					
		In-service members liability (Rm)	Continuation members liability (Rm)		Total liability (Rm)	
	Assumption					
	Central Assumptions	5.006	3.886		8.892	
	The effect of movements in the assumptions are as follows:					
		In-service members liability (Rm)	Continuation members liability (Rm)		Total liability (Rm)	% change
	Assumption					
	Health care inflation	1%	6.130	4.304	10.433	17%
	Health care inflation	-1%	4.127	3.525	7.652	-14%
	Post-retirement mortality	-1 year	5.189	4.042	9.231	4%
	Average retirement age	-1 year	5.431	3.886	9.317	5%
	Withdrawal Rate	-50%	5.515	3.886	9.400	6%
					2012	2011
					R	R
3.2	Long Service Bonuses					
	The Long Service Bonus plans are defined benefit plans. As at year end, 127 employees were eligible for Long Service Bonuses.					
	The Current-service Cost for the year ending 30 June 2012 is R124,277. The Current-service Cost for the ensuing year has been estimated to be R138,445.					
	Key actuarial assumptions used:				2012	2011
					%	%
	i) Rate of interest					
	Discount rate				6.45%	7.76%
	General Salary Inflation (long-term)				5.96%	6.26%
	Net Effective Discount Rate applied to salary-related Long Service Bonuses				0.47%	1.41%
					2012	2011
					R	R
	The amounts recognised in the Statement of Financial Position are as follows:					
	Present value of fund obligations				1 421 424	1 134 463
	Net liability/(asset)				1 421 424	1 134 463
	The liability in respect of periods commencing prior to the comparative year has been estimated as follows:					
		2010	2009	2008		
		R	R	R		
	Total Liability	1 111 098	978 382	-		
			2012	2011		
			R	R		
	Reconciliation of present value of fund obligation:					
	Present value of fund obligation at the beginning of the year				1 134 463	1 039 472
	Total expenses				55 756	93 928
	Current service cost				124 277	145 894
	Interest Cost				83 384	87 297
	Benefits Paid				(151 905)	(139 263)
	Actuarial (gains)/losses				231 205	1 063
	Present value of fund obligation at the end of the year				1 421 424	1 134 463
	Less: Transfer of Current Portion			6	(99 666)	(122 001)
	Balance as at 30 June				1 321 758	1 012 462

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

3 EMPLOYEE BENEFITS (CONTINUE)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	2012 R	2011 R
Central assumptions		1.421	
General salary inflation	1%	1.522	7%
General salary inflation	-1%	1.330	-6%
Average retirement age	-2 yrs.	1.243	-13%
Average retirement age	2 yrs	1.592	12%
Withdrawal rates	-50%	1.647	16%
		2012 R	2011 R

3.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2011 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2010 - 103.3%).

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% or 23% by Council. The last actuarial valuation performed for the year ended 30 June 2011 revealed that the fund is in an sound financial position with a funding level of 98.10% (30 June 2010 - 100%). Whilst this has decreased since the previous actuarial valuations it is still within the Registrar's normally acceptable range of at least a 95% funding level, provided that the previous statutory valuation reflected at least a 100% funding level.

Contributions paid recognised in the Statement of Financial Performance

4 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites

Total Non-current Provisions

2012 R	2011 R
4 947 449	4 711 856
4 947 449	4 711 856

Landfill Sites

Balance 1 July

		4 711 856	4 483 388
Balance previously reported		-	1 532 688
Incorrect calculation previous year on not all Landfill Sites	33.01	-	(1 532 688)
First time recognition of Capitalised Restoration Cost - At Cost	33.01	-	4 483 388
Contribution for the year		235 593	228 469
Balance previously reported		-	98 470
Incorrect calculation previous year on not all Landfill Sites	33.01	-	(98 470)
Contribution for the year	33.01	-	228 469
Expenditure for the year		-	-
Actuarial Loss/(Gain)		-	-
Total provision 30 June		4 947 449	4 711 856
Less: Transfer of Current Portion to Current Provisions		-	-
Balance 30 June		4 947 449	4 711 856

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Douglas	Griekwastad	Cambell
Earthworks - Shape Landfill (m²)	229 440	24 500	14235
Topsoil (m²)	229 440	24 500	14235
Stormwater Cut off drain (m)	885	290	110

The municipality has an obligation to rehabilitate landfill sites at the end of the expected usefull life of the asset. Total cost and estimated date of decommission of the sites are as follows:

Location	Estimated decommission date	Cost of rehabilitation
		2012 R
Douglas	2029	9 185 034
Griekwastad	2054	122 909 456
Cambell	2037	9 795 116
		141 889 606

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

5	CONSUMER DEPOSITS	2012 R	2011 R
	Water & Electricity	175 556	184 484
	Total Consumer Deposits	175 556	184 484

The fair value of consumer deposits approximate their carrying value. No discounting of consumer deposits is being performed due to the uncertainty of the timing of future repayments. Interest is not paid on these amounts.

6	CURRENT EMPLOYEE BENEFITS	2012 R	2011 R
	Current Portion of Post Retirement Benefits	3 283 308	328 464
	Current Portion of Long-Service Awards	3 99 666	122 001
	Bonuses	583 060	518 146
	Staff Leave	1 857 000	887 858
	Total Current Employee Benefits	2 823 034	1 856 469

The movement in current employee benefits are reconciled as follows:

Bonuses

Balance at beginning of year	518 146	544 786
Contribution to current portion	96 445	92 075
Expenditure incurred	-31 531	-118 715
Balance at end of year	583 060	518 146

Bonuses are being paid to all municipal staff, excluding section 57 Managers. The balance at year end represent to portion of the bonus that have already vested for the current salary cycle, that will only be paid out in the following year, November. There is no possibility of reimbursement.

Staff Leave

Balance at beginning of year	887 858	1 423 356
Contribution to current portion	1 050 812	-
Expenditure incurred	-81 670	-535 498
Balance at end of year	1 857 000	887 858

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

7	PAYABLES FROM EXCHANGE TRANSACTIONS	2012 R	2011 R
	Trade Payables	4 153 369	3 342 845
	Receivables with credit balances	383 383	282 647
	Salary Control	5 466	-
	Total Trade Payables	4 542 218	3 625 492

No payables are secured.

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of payables from exchange transactions approximates its fair value.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

8	UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	2012 R	2011 R
	Unspent Grants	22 542 698	9 949 920
	National and Provincial Government Grants	22 542 698	9 949 920
	Less: Unpaid Grants	3 665 600	3 717 416
	National and Provincial Government Grants	3 665 600	3 717 416
	Total Conditional Grants and Receipts	18 877 098	6 232 504

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Library Project

Provincial Department - Library maintenance and Expenses

Brickmaking Project

Provincial Department - Job creation

Housing Schmidtsdrift

National Housing Department - Infrastructure of houses

Douglas/Bongani Parks

Provincial Department - Job creation

WSA Capacity Building Programme

Provincial Department - Supply of water.

FMG

National Treasury - Financial Management

Drought Relief

National Treasury - Supply of water

MSIG

National Treasury - Municipal System Improvement

MIG

National Treasury - Municipal Infrastructure Improvement

Schmidtsdrift Electrification

National Housing Department - Infrastructure of houses

Impumelelo Awards HIV/AIDS

National Treasury - HIV/AIDS Projects

Learnership De Aar

District Municipality - Job creation projects

Siyancuma Town Planning

National Housing Department - Infrastructure of houses

LG Seta

National Treasury - Personnel Training

Sports Development

Provincial Department - Sports Development

Excess Road Mathlomola

Provincial Department - Road Maintenance

EPWP

Provincial Department - Road Maintenance

Royalties Mines (Streets)

Local mines - Road Maintenance

Department of Minerals & Energy

Provincial Department - Infrastructure development

9	VAT PAYABLE FROM EXCHANGE-TRANSACTIONS	2012 R	2011 R
	VAT Payable	2 786 049	3 032 251
	VAT Receivable	-	(392 998)
	Balance previously reported		(295 146)
	Correction of Error	33.04	(97 852)
	VAT Impairment contribution	(4 600 610)	(3 865 203)
	Balance previously reported		-
	Correction of Error	33.04	(3 865 203)
		<u>(1 814 561)</u>	<u>(1 225 950)</u>

VAT is payable/receivable on the cash basis.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
10	PROPERTY, PLANT AND EQUIPMENT		
	See attached sheet		

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

11	INVESTMENT PROPERTY	2012	2011
		R	R
	Net Carrying amount as at 1 July	9 982 000	9 982 000
	Cost	9 982 000	9 982 000
	Accumulated Depreciation	-	-
	Net Carrying amount as at 30 June	9 982 000	9 982 000
	Cost	9 982 000	9 982 000
	Accumulated Depreciation	-	-

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Operating income received on properties generating revenue

-	-
---	---

Operating expenditure incurred on properties generating revenue

-	-
---	---

Estimated Fair Value of Investment Property at 30 June

9 982 000	9 982 000
-----------	-----------

Fair value was determined by valuation roll of 1 July 2011.

12	INTANGIBLE ASSETS	2012	2011
		R	R
	Computer System & Software		
	Net Carrying amount at 1 July	523 065	392 293
	Cost	673 371	490 367
	Accumulated Amortisation	(150 306)	(98 074)
	Acquisitions	25 700	183 004
	Amortisation	(68 611)	(52 232)
	Net Carrying amount at 30 June	480 154	523 065
	Cost	699 071	673 371
	Accumulated Amortisation	(218 917)	(150 306)

		Carrying Value	
<u>Description</u>	<u>Remaining Amortisation Period</u>	2012	2011
		R	R
SEBATA - Accounting System	6	294 086	343 257
Microsoft Office Home and Business DVD	8	34 009	12 056
Cemetery Module	8	32 694	36 479
Implementation of Sebata FMS 5.4	8	15 241	18 466
MPLS	8	101 496	112 807
Business Plan Pro Premier	9	2 628	-

No intangible asset were assed having an indefinite useful life.

No residual values allocated to intangible assets, as there is no active market for these software items after use, due to new versions being issued regularly.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

13	BIOLOGICAL ASSETS	2012	2011
		R	R
	Quantity (Units)		
	Fair Value R		
	Springbuck	888 000	397 200
	Blesbuck	171 200	67 500
	Ostrich	-	3 000
		1 059 200	467 700

Fair value of biological assets is based on selling prices less costs to sell in an open active market. Quotation was obtained from GWK to determine fair value of game as at year end 30 June 2012.

Reconciliation of fair value:

Opening Fair Value	467 700	467 700
Fair Value adjustments	591 500	-
Closing Fair Value	1 059 200	467 700

No title or other restrictions are placed on biological assets.

No biological assets were pledged as security for liabilities.

There are no commitments for the development or acquisition of biological assets.

Disclose financial risk management strategies related to agricultural activity.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

14 CAPITALISED RESTORATION COST

Net Carrying amount at 1 July

	724 256	766 566
Cost	1 290 509	1 290 509
Balance previously reported		-
First time recognition of Capitalised Restoration Cost - At Cost		1 290 509
Accumulated Depreciation	(550 140)	(523 943)
Balance previously reported		-
First time recognition of Capitalised Restoration Cost - Backlog Depreciation		(523 943)
Accumulated Impairments	(16 113)	-
Depreciation for the year	(24 587)	(26 197)
Balance previously reported		-
Recognition of Depreciation for 2010/2011		(26 197)
Impairment	(22 491)	(16 113)
Net Carrying amount at 30 June	677 178	724 256
Cost	1 290 509	1 290 509
Accumulated Depreciation	(574 727)	(550 140)
Accumulated Impairments	(38 604)	(16 113)

15 LONG TERM RECEIVABLES

	2012 R	2011 R
Trade and other receivables with arrangements	-	22 971
Less: Current portion transferred to current receivables	-	(22 971)
Trade and other receivables from exchange transactions with arrangements	-	(22 971)
Less: Provision for Impairment of Long Term Receivables	-	-
Total Long Term Receivables	-	-

TRADE AND OTHER RECEIVABLES WITH ARRANGEMENTS

When the public has outstanding service accounts that can not be paid in full, they make arrangements with Siyancuma Municipality to pay their accounts at a fixed instalment over a period. Arrangements are repayable up to the year 2020. The debtors did not meet their payment requirements, thus the arrangements are to be disregarded.

16 INVENTORY

	2012 R	2011 R
Maintenance Materials - at Current Replacement Cost	206 162	99 776
Water – at Current Replacement Cost	930	173
Total Inventory	207 092	99 949

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
17 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables		
Water	22 859 289	18 277 907
Electricity	3 949 041	3 197 284
Refuse	7 354 894	5 688 797
Sewerage	10 383 286	8 337 635
Total Service Receivables	44 546 510	35 501 623
Less: Allowance for Doubtful Debts	-35 637 208	-30 610 640
Net Service Receivables	8 909 302	4 890 983
Other Receivables		
Other Debtors	565 800	241 928
Other Arrears	2 281 125	2 411 902
Attorneys Balances	775 002	779 463
Rent Bongani	389 242	392 321
Sundry Accounts	1 111 548	1 239 995
Other	5 333	123
Total Other Receivables	2 846 925	2 653 830
Less: Allowance for Doubtful Debts	-1 824 900	-863 155
Net Other Receivables	1 022 025	1 790 675
Total Net Receivables from Exchange Transactions	9 931 327	6 681 658
Ageing of Receivables from Exchange Transactions		
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	536 093	1 104 919
31 - 60 Days	221 745	93 675
61 - 90 Days	149 034	86 595
+ 90 Days	3 042 169	1 912 095
Total	3 949 041	3 197 284
<u>(Water): Ageing</u>		
Current (0 - 30 days)	503 318	1 034 489
31 - 60 Days	437 282	371 889
61 - 90 Days	504 342	390 945
+ 90 Days	21 414 347	16 480 583
Total	22 859 289	18 277 907
<u>(Refuse): Ageing</u>		
Current (0 - 30 days)	180 755	483 809
31 - 60 Days	155 814	120 520
61 - 90 Days	154 210	117 751
+ 90 Days	6 864 115	4 966 717
Total	7 354 894	5 688 797
<u>(Sewerage): Ageing</u>		
Current (0 - 30 days)	221 948	623 361
31 - 60 Days	194 053	197 712
61 - 90 Days	190 203	194 568
+ 90 Days	9 777 082	7 321 993
Total	10 383 286	8 337 635
<u>(Other Receivables): Ageing</u>		
Current (0 - 30 days)	24 234	686 767
31 - 60 Days	21 427	9 453
61 - 90 Days	14 345	9 511
+ 90 Days	2 221 119	1 706 172
Total	2 281 125	2 411 902

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2012	2011
	R	R
Service Receivables		
Taxes - Rates	5 347 826	4 447 294
Total Service Receivables	5 347 826	4 447 294
Less: Allowance for Doubtful Debts	-4 278 261	-1 406 718
Net Service Receivables	1 069 565	3 040 576
Total Net Receivables from Non-Exchange Transactions	1 069 565	3 040 576
Ageing of Receivables from Non-Exchange Transactions		
(Rates): Ageing		
Current (0 - 30 days)	226 639	188 050
31 - 60 Days	72 915	135 221
61 - 90 Days	75 389	130 171
+ 90 Days	4 972 883	3 993 852
Total	5 347 826	4 447 294

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TRADE AND OTHER RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2012				
Total Receivables	52 316 055	-	425 206	52 741 261
Less: Provision for doubtful debts	-41 740 369	-	-	-41 740 369
Total Recoverable debtors by customer classification	10 575 686	-	425 206	11 000 892
Summary of Receivables by Customer Classification	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
2011				
Total Receivables	42 040 994	-	561 753	42 602 747
Less: Provision for doubtful debts	-32 880 513	-	-	-32 880 513
Total Recoverable debtors by customer classification	9 160 481	-	561 753	9 722 234
Trade and other receivables impairment				
2012		Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total		-37 462 108	-4 278 261	-41 740 369
2011		Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total		-31 473 795	-1 406 718	-32 880 513

Debts (Rates) are required to be settled after 30 days, interest is charged after this date at prime +1%.
The fair value of trade and other receivables approximates their carrying amounts.

	2012	2011
	R	R
Reconciliation of the Total doubtful debt provision		
Balance at beginning of the year	32 880 514	25 495 992
Contributions to provision	8 124 449	6 650 406
VAT Impairment	735 407	734 116
Doubtful debts written off against provision	-	-
Balance at end of year	41 740 370	32 880 514

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
20	OPERATING LEASE ARRANGEMENTS		
20.1	The Municipality as Lessor		
	Balance on 1 July	79 669	28 443
	Operating Lease Asset previously not recognised	33.05 -	1 346
	Restated Balance on 1 July	79 669	29 789
	Movement during the year	38 940	49 880
	Balance on 30 June	<u>118 609</u>	<u>79 669</u>
	Current Portion	(30 017)	(38 631)
	Non-Current Portion	<u>148 626</u>	<u>118 300</u>

Siyancuma Municipality is leasing commonage land to MTN for periods of 119 months with escalations of 10% per year.

Siyancuma Municipality is leasing commonage land to Vodacom for periods of 59 months with escalations of 10% per year.

Siyancuma Municipality is leasing commonage land to various lessees with escalations of 12% per year till 30 June 2020.

Operating Lease Asset previously not recognised consisted out of land being leased by Vodacom over a period of 5 years that ended March 2012. An escalation of 10% per year existed.

	2012 R	2011 R
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	126 864	94 767
1 to 5 Years	600 388	447 615
More than 5 Years	402 773	524 858
Total Operating Lease Arrangements	<u>1 130 025</u>	<u>1 067 240</u>

This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.

The leases are in respect of land being leased out for a period until June 2020

	2012 R	2011 R
21	CASH AND CASH EQUIVALENTS	
Assets		
Call Investments Deposits	21 509 241	1 634 918
Balance previously reported		1 634 713
Correction of error	33.07	205
Primary Bank Account	2 501 832	11 528 649
Cash Floats	700	700
Total Cash and Cash Equivalents - Assets	<u>24 011 773</u>	<u>13 164 268</u>

The municipality has the following bank accounts:

Current Accounts

Douglas - Std Bank Account number: 041667336000 (Primary Bank Account):	2 630 281	-337 138
Douglas - FNB Account Number: 52090016612 (Second Primary Bank Account)	1 129 966	11 865 787
	<u>3 760 247</u>	<u>11 528 649</u>

Douglas - Std Bank Account number: 041667336000 (Primary Bank Account):

Cash book balance at beginning of year	-337 138	301 183
Cash book balance at end of year	<u>2 630 281</u>	<u>-337 138</u>
Bank statement balance at beginning of year	227 660	441 475
Bank statement balance at end of year	<u>1 507 682</u>	<u>227 660</u>

Douglas - FNB Account Number: 52090016612 (Second Primary Bank Account)

Cash book balance at beginning of year	11 865 787	6 203 497
Cash book balance at end of year	<u>1 129 966</u>	<u>11 865 787</u>
Bank statement balance at beginning of year	11 865 787	6 203 497
Bank statement balance at end of year	<u>1 129 966</u>	<u>11 865 787</u>

Call Investment Deposits

Call investment deposits consist out of the following accounts:

Standard Bank	21 474 751	1 598 865
First National Bank	-	3 307
Nedbank	34 490	32 747
	<u>21 509 240</u>	<u>1 634 919</u>

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

22	PROPERTY RATES	2012 R	2011 R
	<u>Actual</u>		
	Rateable Land and Buildings	12 363 870	5 745 661
	Residential, Commercial Property, State	12 363 870	5 745 661
	Less: Rebates	-6 596 198	-11 231
	Total Assessment Rates	5 767 672	5 734 430
	<u>Valuations - 1 JULY 2011</u>		
	Rateable Land and Buildings	3 897 294 680	151 780 403
	Residential	478 951 900	79 471 768
	Business	50 957 800	30 558 785
	Governments	16 380 000	21 524 060
	The Erven	65 690 500	7 029 760
	Agriculture	3 257 680 280	
	Exempt Municipal and other	27 634 200	13 196 030
	Less: Income Forgone		
	Total Assessment Rates	3 897 294 680	151 780 403

Valuations on 1 JULY 2011: IN ANY FORMAT YOU CAN GIVE

	Valuation
Residential	478 951 900
Business	50 957 800
Governments	16 380 000
The Erven	65 690 500
Agriculture	3 257 680 280
Exempt Municipal and other	27 634 200
Total Property Valuations	3 897 294 680

Valuations on land and buildings must be performed every four years. The last valuation came into effect on 1 July 2011.

Rates are levied monthly and annually and are payable after due dates. Interest is levied at the prime rate plus 1% on outstanding amounts after due dates

23	GOVERNMENT GRANTS AND SUBSIDIES	2012 R	2011 R
	Unconditional Grants	31 614 000	25 280 454
	Equitable Share	31 614 000	25 280 454
	Conditional Grants	9 511 669	19 055 311
	Library Project	288 765	287 529
	Brickmaking Project	820	-
	FMG	1 450 000	908 098
	MSIG	790 000	914 177
	MIG	4 528 506	10 129 821
	Schmidsdrift Electrification	-	74 885
	Learnership De Aar	86 379	-
	LG Seta	-	119 457
	EPWP	-	6 118 476
	Department of Minerals & Energy	2 367 199	502 869
	Total Government Grants and Subsidies	41 125 669	44 335 765
	Government Grants and Subsidies - Capital	7 121 879	17 028 912
	Government Grants and Subsidies - Operating	34 003 899	27 306 853
		41 125 778	44 335 765
	Grant spending per vote:		
	Executive & Council	9 511 778	44 335 765
	Budget & Treasury	31 614 000	-
		41 125 778	44 335 765

Conditions were complied with during the year.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

23	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)	2012 R	2011 R
23.1	Equitable share		
	Opening balance	-	-
	Grants received	31 614 000	25 280 454
	Conditions met - Operating	(31 614 000)	(25 280 454)
	Conditions met - Capital	-	-
	Conditions still to be met	-	-
	In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.		
23.2	Local Government Financial Management Grant (FMG)		
	Opening balance	-	(291 902)
	Grants received	1 450 000	1 200 000
	Conditions met - Operating	(1 416 775)	(904 503)
	Conditions met - Capital	(33 225)	(3 595)
	Conditions still to be met	-	-
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
23.3	Municipal Systems Improvement Grant		
	Opening balance	(51 816)	112 361
	Grants received	790 000	750 000
	Transfers	51 816	-
	Conditions met - Operating	(790 000)	(731 173)
	Conditions met - Capital	-	(183 004)
	Conditions still to be met	-	(51 816)
	The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
23.4	Municipal Infrastructure Grant (MIG)		
	Opening balance	8 432 402	5 995 223
	Grants received	16 910 000	12 567 000
	Conditions met - Operating	-	-
	Conditions met - Capital	(4 528 506)	(10 129 821)
	Grant expenditure to be recovered	20 813 896	8 432 402
	The grant was used to upgrade infrastructure in previously disadvantaged areas.		
23.5	Housing Grants		
	Opening balance	(1 525 950)	(1 525 950)
	Grants received	-	-
	Conditions met - Operating	-	-
	Conditions met - Capital	-	-
	Grant expenditure to be recovered	(1 525 950)	(1 525 950)
	Housing grants was utilised for the development of erven and the erection of top structures.		
23.6	Integrated National Electrification Grant		
	Opening balance	687 131	(293 100)
	Grants received	2 308 000	1 483 100
	Conditions met - Operating	-	-
	Conditions met - Capital	(2 367 199)	(502 869)
	Conditions still to be met	627 932	687 131
	The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
23	GOVERNMENT GRANTS AND SUBSIDIES (CONTINUE)		
23.7	Other Grants		
	Opening balance	(1 309 262)	(814 942)
	Grants received	646 447	6 106 026
	Conditions met - Operating	(183 124)	(390 723)
	Conditions met - Capital	(192 840)	(6 209 623)
	Conditions still to be met	<u>(1 038 779)</u>	<u>(1 309 262)</u>
	Various grants were received from other spheres of government (e.g. Library fund and Skills Development Grant)		
23.8	Total Grants		
	Opening balance	6 232 506	3 181 690
	Grants received	22 104 447	47 386 580
	Transfers	51 816	-
	Conditions met - Operating	(2 389 899)	(27 306 853)
	Conditions met - Capital	(7 121 770)	(17 028 911)
	Conditions still to be met/(Grant expenditure to be recovered)	<u>18 877 100</u>	<u>6 232 506</u>
	Disclosed as follows:		
	Unspent Conditional Government Grants and Receipts	22 542 698	9 949 920
	Unpaid Conditional Government Grants and Receipts	<u>(3 665 600)</u>	<u>(3 717 416)</u>
		<u>18 877 098</u>	<u>6 232 504</u>
		2012 R	2011 R
24	SERVICE CHARGES		
	Electricity	14 571 770	17 357 000
	Service Charges	16 801 059	19 813 478
	<u>Less:</u> Rebates	<u>(2 229 289)</u>	<u>(2 456 478)</u>
	Water	8 281 317	7 026 615
	Service Charges	9 548 250	8 021 068
	<u>Less:</u> Rebates	<u>(1 266 933)</u>	<u>(994 453)</u>
	Refuse removal	3 718 363	3 351 013
	Service Charges	4 287 224	3 825 271
	<u>Less:</u> Rebates	<u>(568 861)</u>	<u>(474 258)</u>
	Sewerage and Sanitation Charges	4 482 725	3 911 698
	Service Charges	5 168 522	4 465 307
	<u>Less:</u> Rebates	<u>(685 797)</u>	<u>(553 609)</u>
	Other Service Charges	-	-
	Total Service Charges	<u>31 054 175</u>	<u>31 646 326</u>
	Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
		2012 R	2011 R
25	OTHER REVENUE		
	Sundry income	232 379	150 929
	Insurance income	-	70 725
	Legal cost received	32 622	3 980
	Cemetery fees	29 208	30 259
	Other income represents administration income and Sale of land.	16 451	112 928
	Finance lease contract cancelled	-	1 477 012
	Total Other Income	<u>310 660</u>	<u>1 845 833</u>
	Sundry income represents sundry income such as building plans, sale of sundry items (wood, sand and stones) and fees for items not included under service charges (camping, fire brigade and impounding fees)		

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

26		2012 R	2011 R
	EMPLOYEE RELATED COSTS		
	Employee Related Costs - Salaries and Wages	17 867 045	12 550 186
	Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	3 627 374	3 312 685
	Travelling Allowances	1 996 190	2 052 739
	Standby Allowance	402 383	382 648
	Housing Benefits and Allowances	386 917	415 326
	Overtime	1 090 246	985 491
	Workmens Compensation	479 214	-
	Bonuses	1 027 167	1 063 854
	Leave reserve	1 762	(5 875)
	Provision for staff leave	1 051 435	(344 874)
	Contribution to provision - Long Service Awards	3 124 277	145 894
	Contribution to provision - Post Retirement Medical	3 320 709	254 516
	Total Employee Related Costs	28 374 719	20 812 589
	KEY MANAGEMENT PERSONNEL		
	The post of the Manager Technical Services became vacant 01 December 2011 and remains vacant. There are no post-employment or termination benefits payable to them at the end of the contract period.		
	REMUNERATION OF KEY MANAGEMENT PERSONNEL		
	<i>Remuneration of the Municipal Manager (IWJ Stadhouer)</i>		
	Annual Remuneration	344 000	300 000
	Subsistence Allowances	18 000	12 000
	Travelling Allowance	158 236	146 628
	Contributions to UIF, Medical and Pension Funds	118 749	105 372
	Cellphone Allowance	9 600	6 400
	Public Allowance	18 000	12 000
	Backpay	257 275	-
	Housing	28 627	24 000
	Total	952 487	606 400
	<i>Remuneration of the Chief Financial Officer (CJ Muller)</i>		
	Annual Remuneration	775 788	372 398
	Subsistence Allowances	-	-
	Travelling Allowance	116 939	30 000
	Contributions to UIF, Medical and Pension Funds	1 497	-
	Cellphone Allowance	9 600	4 000
	Public Allowance	-	-
	Backpay	4 011	-
	Housing	-	-
	Total	907 836	406 398
	<i>Remuneration of the Director Infrastructure Services</i>		
	Annual Remuneration	353 636	178 677
	Housing	18 000	79 200
	Travelling Allowance	169 766	100 384
	Contributions to UIF, Medical and Pension Funds	123 347	47 808
	Backpay	2 356	-
	Bonuses	29 666	14 890
	Total	696 771	420 959

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
27	REMUNERATION OF COUNCILLORS		
	Executive Mayor: Allowances	411 887	380 681
	Pension and Medical	-	10 260
	Cell phone Allowance	18 174	29 221
	Backpay	21 129	20 127
	Travelling	138 121	126 893
	Councillors: Allowances	1 139 549	923 857
	Pension and Medical	-	-
	Cell phone Allowance	113 340	84 280
	Backpay	65 529	49 944
	Travelling	414 328	307 954
	Total Councillors' Remuneration	2 322 056	1 933 217
	<i>In-kind Benefits</i>		
	The Mayor is full-time. She is provided with an office and secretarial support at the cost of the Council.		
		2012 R	2011 R
28	DEBT IMPAIRMENT		
	Long term Receivables	15 -	-
	Trade Receivables from exchange transactions	17 5 988 313	7 119 572
	Trade Receivables from non-exchange transactions	18 2 871 543	264 950
	Less: VAT Debt Impairment Provision	9 (735 407)	(734 116)
	Total Contribution to Impairment Provision	8 124 449	6 650 406
29	FINANCE CHARGES		
	Long-term Liabilities	486 783	1 108 280
	Actuarial Interest	803 770	593 642
	Unwinding interest - Non current provision	235 593	228 469
	Total finance charges	1 526 146	1 930 391
30	BULK PURCHASES		
	Electricity	20 610 539	14 345 087
	Water	314 639	306 659
	Total Bulk Purchases	20 925 178	14 651 746
31	GRANTS AND SUBSIDIES		
	Mayoral Matric Award	14 350	165 463
	Total Grants and Subsidies	14 350	165 463
32	GENERAL EXPENSES	2012 R	2011 R
	Act on local government	179 482	303 466
	Advertisements	145 659	47 615
	Audit fees	1 713 179	3 031 452
	Bank charges	303 926	298 786
	Chemicals	288 656	326 578
	Cleaning costs	-	302 548
	Delegation fees	624 624	590 464
	Entertainment: public	49 391	99 539
	Environmental health	71 163	69 477
	Insurance cost	702 059	574 210
	Legal expenses	621 544	103 975
	Membership fees: municipal	65 344	88 810
	Meter purchases	-	34 010
	Other expenditure	436 759	345 901
	Printing & stationary	426 935	467 492
	Profesional and consultant	1 641 904	749 744
	Purchase of refuse bags	100 800	107 272
	Telephone expenses	683 757	588 029
	Training	68 429	147 393
	Valuation fees	665 816	1 770 264
	Vehicles: fuel	-	611 975
	General Expenses	8 789 427	10 659 002

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

			2011 R
33	CORRECTION OF ERROR IN TERMS OF GRAP 3		
33.01	Non-current Provisions		
	Balance previously reported		1 631 158
	Incorrect calculation previous year on not all Landfill Sites - Recognised Assets	33.03	(1 532 688)
	Incorrect calculation previous year on not all Landfill Sites - Recognition of Interest Cost	33.09	(98 470)
	First time recognition of Landfill Site Provision - Recognised Assets	33.10	1 290 509
	Recognition of Interest Cost on Non-current Provisions up to 30 June 2010	33.08	3 192 879
	Recognition of Interest Cost on Non-current Provisions for 2010/2011	33.09	228 469
	Total		4 711 856
			2011 R
33.02	Property, Plant and Equipment - GRAP 17		
	Property, Plant and Equipment recorded as required by GRAP 17.		
	Balance previously reported		316 011 558
	Opening balance GRAP movements 2009		-
	Implementation of GRAP 17		
	Finance Lease Liability previously not recognised for the year	33.08	698 945
	Asset given to the employees not previously removed from asset register	33.09	-67 000
	Incorrect calculation previous year on not all Landfill Sites - Derecognised Assets	33.01	-1 458 371
	Total		315 185 132
33.03	Accumulated Depreciation - GRAP 17		
	Property, Plant and Equipment recorded as required by GRAP 17.		
	Balance previously reported		37 945 173
	Opening balance GRAP movements 2009		-
	Recalculation of depreciation of assets with residual values not previously recognised - transferred from Accumulated Surplus	33.08	-103 735
	Recalculation of depreciation of assets with residual values not previously recognised - transferred from Statement of Financial Performance	33.09	-35 381
	Recalculation of depreciation of finance lease assets not previously recognised - transferred from Statement of Financial Performance	33.09	263 154
	Incorrect calculation previous year on not all Landfill Sites - Derecognise Accumulated Depreciation	33.09	-1 458 371
	Transfer to Accumulated Surplus/(Deficit) & St of Financial Performance		36 610 839
33.04	Vat Payable From Exchange-transaction		
	Disclosure as required by GRAP 1.		
	Balance previously reported		2 737 105
	Finance Lease Liability previously not recognised for opening balance	33.08	-97 852
	VAT Impairment recognised for opening balance	33.08	-3 131 087
	VAT Impairment recognised for the year	33.09	-734 116
	Total		-1 225 950
33.05	GRAP 13 - Finance Lease Liability		
	Finance Lease Liability recorded as they are required by GRAP 13		
	Balance previously reported		2 472 881
	Opening balance GRAP movements 2009		-
	Implementation of GRAP		
	Finance Lease Liability previously not recognised for opening balance	33.08	796 797
	Finance Lease Liability previously not recognised for the year	33.09	(87 336)
	Total		3 182 341
33.06	Operating Lease Assets		
	Operating Lease Asset recorded as they are required by GRAP		
	Balance previously reported		78 323
	Opening balance GRAP movements 2009		-
	Implementation of GRAP		
	Operating Lease Asset previously not recognised for the year	33.09	1 346
	Total		79 669

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2011 R
33.07 Cash And Cash Equivalents		
Disclosure as required by GRAP 1.		
Balance previously reported		13 164 063
Opening balance GRAP movements 2009		-
Implementation of GRAP		
Correct the short term deposit 2011 disclosure amount.	33.09	205
Total		13 164 268
33.08 Accumulated Surplus/(Deficit)		
Balance previously reported		283 620 001
Opening balance GRAP movements 2009		-
Recalculation of depreciation of assets with residual values not previously recognised - transferred from Accumulated Surplus	33.03	103 735
Incorrect calculation previous year on not all Landfill Sites - Derecognise Accumulated Depreciation	33.03	721 344
VAT Impairment recognised for opening balance	33.04	3 131 087
Incorrect calculation previous year on not all Landfill Sites - Derecognition of Interest Cost on Non-current Provisions	33.01	74 317
First time recognition of Capitalised Restoration Cost - Backlog Depreciation	33.10	-523 943
Recognition of Interest Cost on Non-current Provisions up to 30 June 2010	33.01	-3 192 879
Total		283 933 662
33.09 Changes to Statement of Financial Performance		
Balance previously reported		11 244 540
Correct the short term deposit 2011 disclosure amount.	33.07	205
Operating Lease Asset previously not recognised for the year	33.06	1 346
Recalculation of depreciation of finance lease assets not previously recognised - transferred from Statement of Financial Performance	33.05	35 381
Recalculation of depreciation of finance lease assets not previously recognised - transferred from Statement of Financial Performance	33.03	-263 154
Incorrect calculation previous year on not all Landfill Sites - Derecognise Depreciation	33.03	737 027
Incorrect calculation previous year on not all Landfill Sites - Derecognition of Interest Cost on Non-current Provisions	33.01	98 470
Asset given to the employees not previously removed from asset register	33.02	-67 000
Recognition of Depreciation for 2010/2011	33.10	-26 197
Recognition of impairments for 2010/2011	33.10	-16 113
Recognition of Interest Cost on Non-current Provisions for 2010/2011	33.01	-228 469
VAT Impairment recognised for the year	33.04	734 116
Adjusting the finance lease liability for the year	33.05	87 336
Total		12 337 489
33.10 Capitalised Restoration Cost		
Disclosure as required by GRAP 1.		
Balance previously reported		-
Opening balance GRAP movements 2009		-
Implementation of GRAP		
First time recognition of Capitalised Restoration Cost - At Cost	33.01	1 290 509
First time recognition of Capitalised Restoration Cost - Backlog Depreciation	33.08	(523 943)
Recognition of depreciation for 2010/2011	33.09	(26 197)
Recognition of impairments for 2010/2011	33.09	(16 113)
Total		724 257

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
34	RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
	Surplus/(Deficit) for the year	(3 388 472)	12 337 488
	Adjustments for:		
	Depreciation	10 964 893	9 908 765
	Amortisation of Intangible Assets	68 611	52 232
	Contributed PPE	(1 671 477)	-
	Write off of finance lease asset	-	37 145
	(Gain)/ loss on disposal of Property Plant and Equipment	36 368	-
	Contribution from/to employee benefits - benefits paid	(480 369)	(316 983)
	Contribution from/to employee benefits - non-current - expenditure incurred	1 248 749	994 053
	Contribution from/to employee benefits - non-current - actuarial gains	(127 143)	2 377 213
	Contribution to employee benefits – current	1 147 257	(26 640)
	Contribution to employee benefits – current - expenditure incurred	(113 201)	(535 498)
	Contribution to provisions – current	235 593	228 469
	Contribution to provisions – Debt Impairment	8 859 856	7 384 522
	Fair Value Adjustments	(591 500)	-
	Operating lease income accrued	(38 940)	(51 225)
	Operating Surplus/(Deficit) before changes in working capital	16 150 225	32 389 541
	Changes in working capital	2 786 431	(8 087 776)
	Increase/(Decrease) in Payables From Exchange Transactions	916 726	(1 016 612)
	Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	12 592 778	3 070 048
	Increase/(Decrease) in Taxes	(529 232)	(743 963)
	(Increase)/Decrease in Inventory	(107 143)	(99 949)
	(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	51 816	(19 233)
	(Increase)/Decrease in Trade Receivables from exchange transactions	(9 237 982)	(8 518 181)
	(Increase)/Decrease in Other Receivables from non-exchange transactions	(900 532)	(759 886)
	Cash generated/(absorbed) by operations	18 936 656	24 301 765
		2012 R	2011 R
35	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the cash flow statement comprise the following:		
	Call Investments Deposits	21 21 509 241	1 634 918
	Cash Floats	21 700	700
	Bank	21 2 501 832	11 528 649
	Bank overdraft	21 -	-
	Total cash and cash equivalents	24 011 773	13 164 268
36	RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
	Cash and Cash Equivalents	35 24 011 773	13 164 268
	Less:	24 011 773	13 164 268
		22 542 698	9 949 920
	Unspent Committed Conditional Grants	8 22 542 698	9 949 920
	Resources available for working capital requirements	1 469 075	3 214 348
37	UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
	Long-term Liabilities	2 5 398 192	2 994 654
	Long-term Liabilities - Correction of Error	33.05 -	709 460
	Used to finance property, plant and equipment - at cost	-2 246 925	-2 759 584
	Used to finance property, plant and equipment - at cost - Correction of Error	33.05 -	-709 460
		3 151 267	235 070
	Cash set aside for the repayment of long-term liabilities	-3 151 267	-235 070
	Cash invested for repayment of long-term liabilities	-	0

Annuity loans at amortised cost is calculated at 10.05%-16.05% interest rate, with maturity date of 1 December 2016.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

38 BUDGET COMPARISONS

	2012 R (Actual)	2012 R (Budget)	2012 R (Variance)	2012 (%)
38.1 Operational				
Revenue by source				
Property Rates	5 767 672	7 494 644	(1 726 972)	-23%
Government Grants and Subsidies - Capital	7 121 879	-	7 121 879	100%
Government Grants and Subsidies - Operating	34 003 899	46 542 220	(12 538 321)	-27%
Fines	51 450	54 273	(2 823)	-5%
Third Party Payments	87 701	-	87 701	100%
Service Charges	31 054 175	45 562 164	(14 507 989)	-32%
Rental of Facilities and Equipment	252 656	244 001	8 655	4%
Interest Earned - external investments	970 293	449 260	521 033	116%
Interest Earned - outstanding debtors	472 737	390 889	81 848	21%
Licences and Permits	6 526	6 389	137	2%
Gain on disposal of PPE	25 329	-	25 329	100%
Actuarial Gains	358 348	-	358 348	100%
Contributed PPE	1 671 477	-	1 671 477	100%
Change in fair value of biological assets	591 500	-	591 500	100%
Agency Services	532 873	636 495	(103 622)	-16%
Other Revenue	310 660	286 897	23 763	8%
	83 279 175	101 667 232	(18 388 057)	
Expenditure by nature				
Employee Related Costs	(28 374 719)	(29 195 521)	820 802	-3%
Remuneration of Councillors	(2 322 056)	(2 527 698)	205 642	-8%
Debt Impairment	(8 124 449)	(8 000 000)	(124 449)	2%
Depreciation and Amortisation	(11 033 504)	(8 621 190)	(2 412 314)	28%
Impairments	-	-	-	0%
Repairs and Maintenance	(3 070 020)	(7 765 800)	4 695 780	-60%
Unamortised Discount - Interest	-	-	-	0%
Actuarial losses	(231 205)	-	(231 205)	100%
Finance Charges	(1 526 146)	(204 130)	(1 322 016)	648%
Bulk Purchases	(20 925 178)	(22 233 286)	1 308 108	-6%
Contracted services	-	(4 976 345)	4 976 345	-100%
Grants and Subsidies	(14 350)	(5 964 286)	5 949 936	-100%
Operating Grant Expenditure	(2 194 896)	-	(2 194 896)	100%
Loss on disposal of PPE	(61 697)	-	(61 697)	100%
General Expenses	(8 789 427)	(12 139 965)	3 350 538	-28%
	(86 667 647)	(101 628 221)	14 960 574	
Net Surplus for the year	(3 388 472)	39 011	(3 427 483)	

Details of material variances

Depreciation and Amortisation overspend due to the Directive 4 impact.
 Bulk purchases overspend due to Eskom tariff changes.
 Operating Grant Expenditure overspend due to roll overs from the previous year.
 General Expenses overspend due to the provision of Audit fee not budgeted for.

	2012 R (Actual)	2012 R (Budget)	2012 R (Variance)	2012 (%)
38.2 Expenditure by Vote				
Aid Allowances	-2 642 765	-3 664 598	1 021 833	-28%
Cemetery	-166 447	-233 085	66 638	-29%
Civic Centre	-	-	-	0%
Cleansing	-2 565 807	-9 347 661	6 781 854	-73%
Council General	-20 889 398	-11 142 600	(9 746 798)	87%
Douglas Holiday Resort	-1 066 721	-1 774 672	707 951	-40%
Electricity	-25 093 468	-31 837 185	6 743 717	-21%
Finance	-10 693 720	-19 719 631	9 025 911	-46%
Fire Brigade	-31 457	-469 851	438 394	-93%
Health Services	-180 867	-313 948	133 081	-42%
Library's	-1 202 748	-1 745 223	542 475	-31%
Licenses	-	-	-	0%
Commonage	-	-319 000	319 000	-100%
Municipal Manager	-2 604 975	-2 927 851	322 876	-11%
Parks & Recreation	-1 213 836	-1 632 127	418 291	-26%
Properties	-1 275 134	-1 702 716	427 582	-25%
Public Works: Roads	-6 842 023	-8 525 058	1 683 035	-20%
Sanitation	-	-	-	0%
Sewerage & Sanitation	-5 097 760	-5 279 500	181 740	-3%
Storm water Drainage	-	-	-	0%
Vehicle Licenses	-	-	-	0%
Interns	180	-1 450 000	1 450 180	-100%
Assesment Rates	-	-	-	0%
Traffic	-77 374	-670 344	592 970	-88%
Water	-6 635 681	-23 131 991	16 496 310	-71%
Less Inter-Departmental Charges	1 612 357	-	1 612 357	100%
	-86 667 644	-125 887 041	39 219 397	-31%

Details of material variances

Civic Centre overspend due to depreciation.
 Finance overspend due to provision for audit fee.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R (Actual)	2012 R (Budget)	2012 R (Variance)	2012 (%)
38 BUDGET COMPARISONS (CONTINUE)				
38.3 Capital expenditure by vote				
Council general	(224 913)	-224 920.00	7	0%
Electricity	-2 828 302	-5 105 432	2 277 130	-45%
Finance	-820 890	-347 962	(472 928)	136%
Fire Brigade	-42 772	-	(42 772)	100%
Library's	-192 840	-200 000	7 160	-4%
Municipal manager	-800 262	-820 780	20 518	-2%
Parks & recreation	-139 423	-195 000	55 577	-29%
Public works: roads	-2 129 470	-1 147 785	(981 686)	86%
Sewerage and sanitation	-2 213 127	-6 701 032	4 487 905	-67%
Vehicle licenses	-152 023	-457 784	305 761	-67%
Water	-1 920 184	-17 980 510	16 060 326	-89%
	-11 464 207	-33 181 205	21 716 998	-65%

Details of material variances

Capital project roll-overs of previous years not Budgeted for. Finance lease not budgeted for. Assets include server and tractor which was not budgeted for.

	2012 R	2011 R
39 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
39.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	46 388 574	21 852 680
Unauthorised expenditure current year - capital	1 497 385	9 245 548
Unauthorised expenditure current year - operating	9 746 798	15 290 346
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	57 632 757	46 388 574

Incident	Disciplinary steps/criminal proceedings
Over expenditure on votes	None

39.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	179 507	176 089
Fruitless and wasteful expenditure current year	120 937	3 418
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	300 444	179 507

Incident	Disciplinary steps/criminal proceedings
2012 - Interest on different vendors - R65 155	None
2012 - Interest and unsupported payments - ESKOM - R22 776	None
2012 - Penalties for late submission of assessments - Office of the Compensation Commissioner - R33 025	None
2011 - Interest on late payments - R1 818	None
2011 - Traffic fines - R1 600	None

39.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	4 320 707	1 874 681
Irregular expenditure current year	4 189 185	2 446 026
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	8 509 893	4 320 707

Incident	Disciplinary steps/criminal proceedings
2012 - List of Irregular expenditure. - R1 672 355	None
2012 - Related party transactions - R1 915 098.47	None
2012 - Micro Mega - Invalid contract extension - R347 622.12	None
2012 - No contract is in place with HV Electrical - R254 109.72	None
2011 - Supply chain procedures not adhered to - R2 446 026.49	None

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

39	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED	2012	2011
		R	R
39.4	Material Losses		
	Electricity distribution losses		
	Units purchased (Kwh)	27 680 359	27 680 359
	- Units lost during distribution (Kwh)	11 281 375	11 281 375
	- Percentage lost during distribution	40.76%	40.76%
	Water distribution losses		
	- Mega litres purified	1 460 400	1 460 400
	- Mega litres lost during distribution	-332 730	-332 730
	- Percentage lost during distribution	-22.78%	-22.78%
40	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT	2012	2011
		R	R
40.1	Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS		
	Opening balance	-	-
	Council subscriptions	65 344	101 242
	Amount paid - current year	(65 344)	(101 242)
	Amount paid - previous years	-	-
	Balance unpaid (included in creditors)	-	-
40.2	Audit fees - [MFMA 125 (1)(b)]		
	Opening balance	2 486 892	1 993 952
	Current year audit fee	1 953 025	1 592 940
	Amount paid - current year	-	-
	Amount paid - previous year	(1 850 000)	(1 100 000)
	Balance unpaid (included in creditors)	2 589 917	2 486 892
40.3	VAT - [MFMA 125 (1)(b)]		
	VAT	1 814 561	1 225 950
	VAT is payable/receivable on the cash basis.		
40.4	PAYE, SDL and UIF - [MFMA 125 (1)(b)]	2012	2011
		R	R
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	3 790 084	2 440 290
	Amount paid - current year	-3 790 084	-2 440 290
	Balance unpaid (included in creditors)	-	-
40.5	Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	4 392 015	4 729 108
	Amount paid - current year	-4 392 015	-4 729 108
	Amount paid - previous year	-	-
	Balance unpaid (included in creditors)	-	-
40.6	Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]		
	The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2012:		
		2012	2011
		R	R
		Outstanding more than 90 days	Outstanding more than 90 days
	D. Koopman	323	8 782
	A. Olifant	14 567	12 361
	L. Oliphant	35 005	-
	R. Galant	9 431	-
	R. Ruele	2 070	-
	A. Marekwa	35 005	-
	F. Swarts	35 005	-
	K. Mgade	35 005	-
	C. Olyn	35 005	-
	J. Schreuder	364 008	-
	Total Councillor Arrear Consumer Accounts	565 424	21 143
40.7	Non-Compliance with MFMA		
	* Section 167 of the MFMA: Council Remuneration - Non Compliance with Government Notice No. R. 1225 dated 21 December 2009		
	* Section 65(2)(e) of the MFMA: Creditors were not paid within the 30 day limit.		

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 R	2011 R
41 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for:	45 965 438	12 239 467
Infrastructure	45 965 438	12 239 467
Total	45 965 438	12 239 467
This expenditure will be financed from:		
Government Grants	45 965 438	12 239 467
	45 965 438	12 239 467

42 FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	2012 R	2011 R
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2010 - 0.5%) Increase in interest rates	93 064	47 297
0.5% (2010 - 0.5%) Decrease in interest rates	(93 064)	(47 297)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 17 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 17 for balances included in receivables that were re-negotiated for the period under review.

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

42 FINANCIAL RISK MANAGEMENT (CONTINUE)

	2012		2011	
	R		R	
Balances past due not impaired:				
	2012	2012	2011	2011
	%	R	%	R
<u>Non-Exchange Receivables</u>				
Rates	100.00%	842 926	100.00%	2 888 086
<u>Exchange Receivables</u>				
Electricity	3%	253 715	37.79%	1 502 164.00
Water	52%	4 068 540	34.48%	1 370 847
Refuse	16%	1 290 224	0.36%	14 488
Sewerage	23%	1 854 709	1.61%	63 973
Other	5%	431 991	25.76%	1 023 940
	100.00%	7 899 179	100.00%	3 975 413

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 17 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of debtors as follows:

	2012		2011	
	R		R	
	%	R	%	R
Electricity	7.57%	3 159 233	1.79%	590 201
Water	43.81%	18 287 431	49.97%	16 429 414
Refuse	14.10%	5 883 915	16.86%	5 545 207
Sewerage	19.90%	8 306 629	24.47%	8 045 819
Other Consumer Arrears	4.37%	1 824 900	2.63%	863 155
Rates	10.25%	4 278 261	4.28%	1 406 718
	100.00%	41 740 369	100.00%	32 880 513

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

Long term receivables	-	-
Trade receivables and other receivables	11 000 892	9 722 234
Cash and Cash Equivalents	24 011 773	13 164 268
Unpaid conditional grants and subsidies	3 665 600	3 717 416
	38 678 265	26 603 918

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

42 FINANCIAL RISK MANAGEMENT (CONTINUE)

2012
R

2011
R

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an on-going review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2012				
Long Term liabilities	720 000	2 400 001	-	-
Capital repayments	471 274	2 001 606	-	-
Interest	248 726	398 395	-	-
Payables From Exchange Transactions	4 542 218	-	-	-
Provisions	-	-	-	-
Unspent conditional government grants and receipts	18 877 098	-	-	-
	<u>24 139 316</u>	<u>2 400 001</u>	<u>-</u>	<u>-</u>
2011				
Long Term liabilities	720 000	2 400 001	-	-
Capital repayments	471 274	2 001 606	-	-
Interest	248 726	398 395	-	-
Payables From Exchange Transactions	3 625 492	-	-	-
Non-Current Provisions	1 631 158	-	-	-
Unspent conditional government grants and receipts	6 232 505	-	-	-
	<u>12 209 155</u>	<u>2 400 001</u>	<u>-</u>	<u>-</u>

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

		2012 R	2011 R
43	FINANCIAL INSTRUMENTS		
	In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:		
	The fair value of financial instruments approximates the amortised costs as reflected below.		
43.1	Financial Assets		
	Classification IAS 39		
	Long-term Receivables		
	Trade and other receivables with arrangements	-	-
	Consumer Debtors		
	Trade receivables from exchange transactions	44 546 510	35 501 623
	Other receivables from exchange transactions	2 846 925	2 653 830
	Other receivables from non-exchange transactions		4 447 294
	Less non financial instruments disclosed previous financial year.		(4 447 294)
	Other Debtors		
	Government Subsidies and Grants	3 665 600	3 717 416
	Current Portion of Long-term Receivables		
	Trade and other receivables with arrangements	-	22 971
	Short-term Investment Deposits		
	Call Deposits	21 509 241	1 634 918
	Bank Balances and Cash		
	Bank Balances	2 501 832	11 528 649
	Cash Floats and Advances	700	700
		75 070 808	55 060 108
	SUMMARY OF FINANCIAL ASSETS		
	Financial instruments at amortised cost	75 070 808	55 060 108
43.2	Financial Liability		
	Classification IAS 39		
	Long-term Liabilities		
	Annuity Loans	1 847 703	356 353
	Capitalised Lease Liability	2 229 861	2 711 067
	Trade Payables		
	Trade creditors	4 153 369	3 342 845
	Retentions	-	-
	Deposits	-	-
	Unspent Conditional Grants and Receipts		
	Other Spheres of Government	22 542 698	9 949 920
	Current Portion of Long-term Liabilities		
	Annuity Loans	543 590	165 426
	Capitalised Lease Liability	777 038	471 274
	Bank Balances and Cash		
	Bank Balances	-	-
		32 094 259	16 996 885
	SUMMARY OF FINANCIAL LIABILITY		
	Financial instruments at amortised cost	32 094 259	16 996 885

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

44	EVENTS AFTER THE REPORTING DATE	2012	2011
		R	R

The municipality has no events after reporting date during the financial year ended 2011/2012.

45 IN-KIND DONATIONS AND ASSISTANCE

The municipality received equipment Rockwell Diamonds to the value of R 1 671 477

46 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

47 CONTINGENT LIABILITY

Siyancuma Municipality is ordered by SALGBC to pay the applicants for the unfair suspension of specific staff members on 4 October 2010. Siyancuma has appealed the case. This is due to the case of alleged theft at the vehicle registration office

169 022

Siyancuma Municipality is fined R10 000 by SALGBC.

10 000

Siyancuma Municipality can be held liable for dismissal of a personnel member.

9 000

Siyancuma Municipality has a possible liability with regards to the landfill site licence which is outstanding, the amount of the liability is unknown.

48 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

48.1 Related Party Transactions

		Rates -	Service	Other - Levied 1	Outstanding
		Levied 1 Jul	Charges -	Jul 11 - 30 Jun 12	Balances 30
		11 - 30 Jun 12	Levied 1 Jul 11 -		June 2012
			30 Jun 12		
Year ended 30 JUNE 2012					
Councillors		2	435	564 988	565 424
D. Koopman	100986/102213	2	321	-	323
A. Oliphant	3C0500/300500	-	114	14 454	14 567
L. Oliphant	9501/9563/9561	-	-	35 005	35 005
R. Galant		-	-	9 431	9 431
R. Ruele		-	-	2 070	2 070
A. Marekwa		-	-	35 005	35 005
F. Swarts		-	-	35 005	35 005
K. Mgade		-	-	35 005	35 005
C. Olyn		-	-	35 005	35 005
J. Schreuder		-	-	364 008	364 008

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

48.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 15 to the Annual Financial Statements.

48.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 26 to the Annual Financial Statements.

48.4 Other related party transactions

2012
R

2011
R

The following purchases were made during the year where Councillors or Management have an interest:

I.W.J. Stadhouer, Municipal Manager, is a director at GWK and C.J.B. Müller, CFO, is a shareholder at GWK.

1 915 098

-

Mr Walter Saaiman, the brother-in-law of the Municipal Manager of Siyancuma Local Municipality, Mr I.W.J. Stadhouer, has a contract for lease of commonage.

1 915 098

-

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

10 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Opening Balance R	Cost Additions R	Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
30 JUNE 2012									
Land and Buildings	31 852 600	-	-	31 852 600	399 315	100 030	-	499 345	31 353 255
Land	21 876 600	-	-	21 876 600	-	-	-	-	21 876 600
Buildings	9 976 000	-	-	9 976 000	399 315	100 030	-	499 345	9 476 655
Infrastructure	252 611 760	6 630 222	-	259 241 982	33 473 534	9 332 411	-	42 805 946	216 436 036
Road Network	58 232 645	-	-	58 232 645	7 335 006	2 218 258	-	9 553 265	48 679 380
Sanitation Network	62 397 167	2 063 411	-	64 460 578	8 193 517	2 314 058	-	10 507 575	53 953 004
Electricity Network	45 412 652	2 657 849	-	48 070 501	7 108 166	1 842 717	-	8 950 883	39 119 618
Water Network	81 565 777	1 908 962	-	83 474 739	10 095 935	2 771 793	-	12 867 728	70 607 011
Stormwater Network	5 003 520	-	-	5 003 520	740 910	185 585	-	926 495	4 077 024
Community Assets	23 375 500	-	-	23 375 500	509 011	127 565	-	636 576	22 738 924
Library	244 500	-	-	244 500	9 869	2 530	-	12 399	232 101
Cemetery	176 000	-	-	176 000	7 045	1 765	-	8 810	167 190
Commonage	5 374 000	-	-	5 374 000	-	-	-	-	5 374 000
Community Halls	1 234 000	-	-	1 234 000	49 394	12 373	-	61 767	1 172 233
Game Farm	8 171 000	-	-	8 171 000	-	-	-	-	8 171 000
Holiday Resort	6 940 000	-	-	6 940 000	277 790	69 588	-	347 378	6 592 622
Sport Facilities	1 236 000	-	-	1 236 000	164 913	41 309	-	206 221	1 029 779
Heritage Assets	9 000	-	-	9 000	-	-	-	-	9 000
Historical Buildings	9 000	-	-	9 000	-	-	-	-	9 000
Lease Assets	3 458 529	424 140	-	3 882 669	449 898	735 010	-	1 184 908	2 697 761
Office Equipment	3 458 529	424 140	-	3 882 669	449 898	735 010	-	1 184 908	2 697 761
Other Assets	3 877 743	4 409 845	-470 523	7 817 065	1 779 081	622 801	-330 655	2 071 226	5 745 839
Air Conditioner	421 867	30 737	-	452 605	211 179	47 763	-	258 942	193 663
Chairs	157 853	36 546	-	194 399	73 198	19 649	-	92 847	101 552
Electronic Equipment	113 822	19 496	-	133 318	54 363	16 279	-	70 641	62 676
Motor Vehicles	35 000	685 990	-35 000	685 990	23 349	62 409	-24 596	61 162	624 827
Furniture & Fittings	495 447	71 987	-	567 434	183 410	52 442	-	235 852	331 582
Office Equipment	17 250	2 697	-	19 947	11 941	1 737	-	13 678	6 269
Trailers	206 316	34 746	-30 000	211 061	101 538	18 593	-21 082	99 048	112 013
Tables and desks	159 900	-	-	159 900	68 573	14 938	-	83 511	76 389
Tractors	287 000	-	-76 000	211 000	81 346	23 780	-53 408	51 718	159 282
Trucks	1 289 523	3 067 540	-329 523	4 027 540	664 132	239 748	-231 569	672 311	3 355 229
Works Equipment	107 440	338 278	-	445 718	50 449	28 974	-	79 423	366 296
Computer hardware	586 326	121 828	-	708 153	255 603	96 489	-	352 092	356 061
	315 185 132	11 464 207	-470 523	326 178 816	36 610 839	10 917 817	-330 655	47 198 001	278 980 815

30 JUNE 2011

Land and Buildings	31 919 600	-	67 000	31 852 600	299 555	99 760	-	399 315	31 453 285
Land	21 943 600	-	67 000	21 876 600	-	-	-	-	21 876 600
Balance previously reported	21 943 600	-	-	21 943 600	-	-	-	-	21 943 600
Correction of error - Note 33.02	-	-	67 000	-67 000	-	-	-	-	-67 000
Buildings	9 976 000	-	-	9 976 000	299 555	99 760	-	399 315	9 576 685
Infrastructure	237 732 478	14 879 281	-	252 611 760	24 729 558	8 743 977	-	33 473 534	219 138 225
Road Network	52 877 492	5 355 152	-	58 232 645	5 273 724	2 061 283	-	7 335 006	50 897 638
Sanitation Network	60 889 911	1 507 256	-	62 397 167	6 061 701	2 131 816	-	8 193 517	54 203 650
Electricity Network	44 857 236	555 416	-	45 412 652	5 329 106	1 779 060	-	7 108 166	38 304 486
Water Network	74 104 320	7 461 457	-	81 565 777	7 509 218	2 586 717	-	10 095 935	71 469 842
Stormwater Network	5 003 520	-	-	5 003 520	555 810	185 101	-	740 910	4 262 609

SIYANCUMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

10 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

		Opening Balance R	Cost Additions R	Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
Community Assets		23 375 500	-	-	23 375 500	381 788	127 223	-	509 011	22 866 489
Libraries		244 500	-	-	244 500	7 346	2 523	-	9 869	234 631
Cemetery		176 000	-	-	176 000	5 285	1 760	-	7 045	168 955
Commonage		5 374 000	-	-	5 374 000	-	-	-	-	5 374 000
Community Halls		1 234 000	-	-	1 234 000	37 054	12 340	-	49 394	1 184 606
Game Farm		8 171 000	-	-	8 171 000	-	-	-	-	8 171 000
Holiday Resort		6 940 000	-	-	6 940 000	208 390	69 400	-	277 790	6 662 210
Sport Facilities		1 236 000	-	-	1 236 000	123 713	41 200	-	164 913	1 071 087
Land fill sites		-	-	-	-	-	-	-	-	-
Balance previously reported		1 458 371	-	-	1 458 371	737 027	721 344	-	1 458 371	0
Correction of error - Note	33.03	-1 458 371	-	-	-1 458 371	-737 027	-721 344	-	-1 458 371	-0
Heritage Assets		9 000	-	-	9 000	-	-	-	-	9 000
Historical Buildings		9 000	-	-	9 000	-	-	-	-	9 000
Lease Assets		64 000	3 458 529	-64 000	3 458 529	24 146	452 608	-26 855	449 898	3 008 631
Office Equipment		64 000	3 458 529	-64 000	3 458 529	24 146	452 608	-26 855	449 898	3 008 631
Balance previously reported		64 000	2 759 584	-64 000	2 759 584	24 146	189 454	-26 855	186 744	2 572 840
Correction of error - Note	33.03	-	698 945	-	698 945	-	263 154	-	263 154	435 791
Other Assets		3 478 665	399 077	-	3 877 743	1 320 511	458 570	-	1 779 081	2 098 662
Air Conditioner		380 000	41 867	-	421 867	156 183	54 996	-	211 179	210 688
Chairs		157 853	-	-	157 853	54 345	18 853	-	73 198	84 655
Electronic Equipment		100 500	13 322	-	113 822	40 303	14 060	-	54 363	59 459
Motor vehicles		35 000	-	-	35 000	17 516	5 833	-	23 349	11 651
Furniture & Fittings		462 350	33 097	-	495 447	136 707	46 703	-	183 410	312 037
Office Equipment		17 250	-	-	17 250	8 958	2 983	-	11 941	5 309
Trailer		205 000	1 316	-	206 316	76 169	25 368	-	101 538	104 778
Balance previously reported		205 000	1 316	-	206 316	91 458	30 460	-	121 919	84 397
Correction of error - Note	33.03	-	-	-	-	-15 289	-5 092	-	-20 381	20 381
Tables and desks		159 900	-	-	159 900	51 442	17 132	-	68 573	91 327
Tractors		142 000	145 000	-	287 000	58 520	22 826	-	81 346	205 654
Balance previously reported		142 000	145 000	-	287 000	63 641	25 366	-	89 007	197 993
Correction of error - Note	33.03	-	-	-	-	-5 121	-2 540	-	-7 661	7 661
Trucks		1 289 523	-	-	1 289 523	498 213	165 919	-	664 132	625 391
Balance previously reported		1 289 523	-	-	1 289 523	581 538	193 669	-	775 207	514 316
Correction of error - Note	33.03	-	-	-	-	-83 325	-27 750	-	-111 075	111 075
Works Equipment		95 100	12 340	-	107 440	37 242	13 207	-	50 449	56 991
Computer hardware		434 190	152 136	-	586 326	184 914	70 690	-	255 603	330 722
		296 579 244	18 736 888	3 000	315 185 132	26 755 557	9 882 137	-26 855	36 610 839	278 574 292

APPENDIX A - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2011	Change in Accounting Policy	Balance at 30 JUNE 2011 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2012
ANNUITY LOANS									
DBSA - Loan 101 Lalf 15104 - 11	10.05%	11623	2012/12/31	61 543	-	61 543	-	(40 016)	21 527
DBSA - Loan 101 Lalf 15104 - 12	10.05%	11624	2011/12/31	4 847	-	4 847	-	(4 845)	2
DBSA - Loan 101 Lalf 15104 - 14	13.75%	11626	2015/06/30	345 585	-	345 585	-	(69 887)	275 698
DBSA - Loan 101 Lalf 15104 - 15	16.05%	11627	2013/06/30	109 804	-	109 804	-	(50 650)	59 154
NISSAN NP200 CDR 062 NC	10.50	Standard Bank	2016/11/01	-	-	-	108 981	(10 150)	98 831
NISSAN NP200 CDN 916 NC	10.50	Standard Bank	2016/10/01	-	-	-	108 981	(11 775)	97 206
NISSAN HARDBODY NP300 CDN 914	10.50	Standard Bank	2016/11/01	-	-	-	153 892	(14 054)	139 838
NISSAN HARDBODY NP300 CDP 880	10.50	Standard Bank	2016/11/01	-	-	-	153 892	(14 333)	139 559
HYUNDAI H100 CDP 690 NC	10.50	Standard Bank	2016/10/01	-	-	-	203 180	(21 642)	181 538
NISSAN HARDBODY NP300 CDP 876	10.50	Standard Bank	2016/11/01	-	-	-	224 913	(21 007)	203 906
NISSAN TIIDA CDP 877 NC	10.50	Standard Bank	2016/11/01	-	-	-	177 889	(16 568)	161 321
QUANTUM CDP 884 NC	10.50	Standard Bank	2016/11/01	-	-	-	329 443	(30 684)	298 759
NISSAN HARDBODY CDZ032 NC	10.50	Standard Bank	2016/12/01	-	-	-	153 892	(12 496)	141 396
NISSAN HARDBODY CDT 116 NC	10.50	Standard Bank	2016/12/01	-	-	-	153 892	(12 213)	141 679
NISSAN HARDBODY CDT 114 NC	10.50	Standard Bank	2016/12/01	-	-	-	153 892	(12 213)	141 679
NISSAN HARDBODY CDP 879 NC	10.50	Standard Bank	2012/11/01	-	-	-	153 892	(14 453)	139 439
TOYOTA HILUX CDK 987 NC	10.50	Standard Bank	2016/09/02	-	-	-	170 186	(20 425)	149 761
Total Annuity Loans				521 779	-	521 779	2 246 925	(377 411)	2 391 293
LEASE LIABILITY									
Nashua - GK500568-500586	11.00%	Nashua	2015/10/30	2 472 881	-	2 472 881	-	(471 275)	2 001 606
PABX - MP 2000 and DTPC 430	9.00%	Nashua	2016/07/30	-	-	-	138 324	(21 821)	116 503
CCTV camera P10400003	9.00%	Nashua	2015/03/31	-	-	-	115 578	(9 286)	106 292
MP 201 SPF	9.00%	Nashua	2016/11/30	-	-	-	52 563	(5 344)	47 219
PABX - PA 188918	9.00%	Nashua	2017/01/31	-	-	-	177 054	(13 144)	163 910
Various A	9.00%	Nashua	2015/12/31	-	146 679	146 679	-	(26 909)	119 770
Various B	9.00%	Nashua	2015/10/31	-	562 781	562 781	-	(111 182)	451 599
Total Lease Liabilities				2 472 881	709 460	3 182 341	483 519	(658 961)	3 006 899
TOTAL EXTERNAL LOANS				2 994 660	709 460	3 704 120	2 730 444	(1 036 372)	5 398 192

APPENDIX B - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012

	Cost/Revaluation						Accumulated Depreciation				Carrying Value
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings											
Land	21 876 600.00	-	-	-	-	21 876 600.00	-	-	-	-	21 876 600.00
Buildings	9 976 000.00	-	-	-	-	9 976 000.00	399 314.84	100 030.44	-	499 345.28	9 476 654.72
	31 852 600.00	-	-	-	-	31 852 600.00	399 314.84	100 030.44	-	499 345.28	31 353 254.72
Infrastructure											
Road Network	58 232 644.55	-	-	-	-	58 232 644.55	7 335 006.24	2 218 258.26	-	9 553 264.50	48 679 380.05
Sanatation Network	62 397 167.00	-	2 063 411.13	-	-	64 460 578.13	8 193 516.78	2 314 057.77	-	10 507 574.55	53 953 003.58
Electricity Network	45 412 652.11	-	2 657 848.67	-	-	48 070 500.78	7 108 166.02	1 842 716.99	-	8 950 883.01	39 119 617.77
Water Network	81 565 776.61	-	1 908 962.25	-	-	83 474 738.86	10 095 935.06	2 771 793.21	-	12 867 728.27	70 607 010.59
Stormwater Network	5 003 519.59	-	-	-	-	5 003 519.59	740 910.32	185 585.10	-	926 495.42	4 077 024.18
	252 611 759.86	-	6 630 222.05	-	-	259 241 981.91	33 473 534.42	9 332 411.33	-	42 805 945.75	216 436 036.16
Community Assets											
Library	244 500.00	-	-	-	-	244 500.00	9 869.31	2 529.74	-	12 399.05	232 100.95
Cemetary	176 000.00	-	-	-	-	176 000.00	7 044.82	1 764.77	-	8 809.59	167 190.41
Commonage	5 374 000.00	-	-	-	-	5 374 000.00	-	-	-	-	5 374 000.00
Community Halls	1 234 000.00	-	-	-	-	1 234 000.00	49 393.80	12 373.46	-	61 767.26	1 172 232.74
Game Farm	8 171 000.00	-	-	-	-	8 171 000.00	-	-	-	-	8 171 000.00
Holiday Resort	6 940 000.00	-	-	-	-	6 940 000.00	277 790.13	69 588.15	-	347 378.28	6 592 621.72
Sport Facilities	1 236 000.00	-	-	-	-	1 236 000.00	164 912.87	41 308.52	-	206 221.39	1 029 778.61
Land fill sites	-	-	-	-	-	-	-	-	-	-	-
	23 375 500.00	-	-	-	-	23 375 500.00	509 010.93	127 564.64	-	636 575.57	22 738 924.43
Heritage Assets											
Historical Buildings	9 000.00	-	-	-	-	9 000.00	-	-	-	-	9 000.00
	9 000.00	-	-	-	-	9 000.00	-	-	-	-	9 000.00
Total carried forward	307 848 859.86	-	6 630 222.05	-	-	314 479 081.91	34 381 860.19	9 560 006.41	-	43 941 866.60	270 537 215.31

APPENDIX B - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012

	Cost						Accumulated Depreciation				Carrying Value
	Opening Balance	Residual Value Opening Balance	Additions -	Residual Value Additions	Disposals -	Closing Balance	Opening Balance	Additions -	Disposals	Closing Balance	
Total brought forward	307 848 859.86	-	6 630 222.05	-	-	314 479 081.91	34 381 860.19	9 560 006.41	-	43 941 866.60	270 537 215.31
Leased Assets											
Office Equipment (Lease)	3 458 528.91	-	424 140.07	-	-	3 882 668.99	449 898.26	735 010.17	-	1 184 908.43	2 697 760.56
	3 458 528.91	-	424 140.07	-	-	3 882 668.99	449 898.26	735 010.17	-	1 184 908.43	2 697 760.56
Biological Assets											
Game	467 700.00	-	591 500.00	-	-	1 059 200.00	-	-	-	-	1 059 200.00
	467 700.00	-	591 500.00	-	-	1 059 200.00	-	-	-	-	1 059 200.00
Other Assets											
Air Conditioner	421 867.22	-	30 737.36	-	-	452 604.58	211 178.75	47 763.27	-	258 942.02	193 662.56
Chairs	157 852.63	-	36 546.21	-	-	194 398.84	73 197.91	19 649.13	-	92 847.04	101 551.80
Electronic Equipment	113 821.68	-	19 496.22	-	-	133 317.90	54 362.56	16 278.89	-	70 641.45	62 676.45
Motor Vehicles	35 000.00	-	548 791.63	137 197.91	35 000.00	685 989.53	23 349.32	62 408.92	24 595.89	61 162.35	624 827.19
Furniture & Fittings	495 446.61	-	71 987.29	-	-	567 433.90	183 410.06	52 441.98	-	235 852.04	331 581.86
Office Equipment	17 250.00	-	2 697.00	-	-	19 947.00	11 940.86	1 736.79	-	13 677.65	6 269.35
Trailers	171 052.63	35 263.16	27 796.49	6 949.12	30 000.00	211 061.40	101 537.62	18 593.00	21 082.19	99 048.43	112 012.97
Tables and desks	159 900.00	-	-	-	-	159 900.00	68 573.37	14 937.97	-	83 511.34	76 388.66
Tractors	244 800.00	42 200.00	-	-	76 000.00	211 000.00	81 345.94	23 780.02	53 408.23	51 717.73	159 282.27
Trucks	1 097 523.18	192 000.00	2 454 031.99	613 508.00	329 523.18	4 027 539.99	664 132.02	239 747.78	231 569.03	672 310.77	3 355 229.21
Works Equipment	107 440.00	-	338 278.30	-	-	445 718.30	50 448.94	28 973.79	-	79 422.73	366 295.57
Computer hardware	586 325.84	-	121 827.57	-	-	708 153.41	255 603.45	96 488.98	-	352 092.43	356 060.98
	3 608 279.79	269 463.16	3 652 190.06	757 655.03	470 523.18	7 817 064.85	1 779 080.80	622 800.52	330 655.34	2 071 225.98	5 745 838.87
Total Property, Plant and Equipment	315 383 368.56	269 463.16	11 298 052.18	757 655.03	470 523.18	327 238 015.75	36 610 839.25	10 917 817.10	330 655.34	47 198 001.01	280 040 014.74
Investment Property											
Land	9 982 000.00	-	-	-	-	9 982 000.00	-	-	-	-	9 982 000.00
	9 982 000.00	-	-	-	-	9 982 000.00	-	-	-	-	9 982 000.00
Intangible Assets											
Computer System	673 371.00	-	25 700.00	-	-	699 071.00	150 306.00	68 611.00	-	218 917.00	480 154.00
	673 371.00	-	25 700.00	-	-	699 071.00	150 306.00	68 611.00	-	218 917.00	480 154.00
Total	326 038 739.56	269 463.16	11 323 752.18	757 655.03	470 523.18	337 919 086.75	36 761 145.25	10 986 428.10	330 655.34	47 416 918.01	290 502 168.74

APPENDIX C - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT

		Cost						Accumulated Depreciation				Carrying Value
		Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Civic centre	Community & Social Services	45 000	2 000	-	-	35 000	12 000	30 021	2 315	24 596	7 739	4 261
Cleansing	Waste Water Management	58 800	12 200	-	-	10 000	61 000	34 646	7 050	7 027	34 668	26 332
Council general	Executive & Council	2 896 756	-	179 931	44 983	-	3 121 669	428 192	582 371	-	1 010 563	2 111 106
Douglas holiday resort	Sport & Recreation	301 968	26 000	-	-	-	327 968	155 808	38 764	-	194 572	133 395
Electricity	Electricity	45 726 652	51 400	2 801 217	27 085	24 200	48 582 154	7 277 969	1 881 201	17 006	9 142 164	39 439 990
Finance	Budget & Treasury	1 400 133	-	782 479	38 411	-	2 221 023	345 761	308 480	-	654 241	1 566 782
Fire Brigade	Public Safety	-	-	35 823	6 949	-	42 772	-	1 275	-	1 275	41 497
Health services	Health	12 500	-	-	-	-	12 500	6 104	1 282	-	7 387	5 113
Library's	Community & Social Services	235 522	-	154 272	38 568	-	428 362	102 414	28 888	-	131 302	297 060
Municipal manager	Corporate Services	502 894	29 000	650 911	149 351	-	1 332 156	172 854	114 682	-	287 535	1 044 620
Parks & recreation	Sport & Recreation	36 000	9 000	112 339	27 085	-	184 423	28 820	11 265	-	40 085	144 338
Properties	Corporate Services	55 280 238	-	-	-	-	55 280 238	940 143	230 761	-	1 170 904	54 109 334
Public works: roads	Road Transport	64 357 540	133 863	1 761 274	368 196	383 323	66 237 550	8 752 429	2 599 658	269 376	11 082 711	55 154 839
Sewerage and sanitation	Waste Water Management	62 451 507	6 000	2 183 184	29 943	18 000	64 652 634	8 220 053	2 325 304	12 649	10 532 708	54 119 926
Vehicle licenses	Public Safety	44 382	-	124 939	27 085	-	196 406	19 690	12 318	-	32 008	164 398
Water	Water	81 565 777	-	1 920 184	-	-	83 485 961	10 095 935	2 772 204	-	12 868 139	70 617 822
TOTAL		314 915 669	269 463	10 706 552	757 655	470 523	326 178 816	36 610 839	10 917 817	330 655	47 198 001	278 980 815

APPENDIX C - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012
GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation						Accumulated Depreciation				Carrying Value
	Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	2 896 756	-	179 931	44 983	-	3 121 669	428 192	582 371	-	1 010 563	2 111 106
Budget & Treasury	1 400 133	-	782 479	38 411	-	2 221 023	345 761	308 480	-	654 241	1 566 782
Corporate Services	55 828 132	31 000	650 911	149 351	35 000	56 624 394	1 143 018	347 757	24 596	1 466 179	55 158 215
Health	12 500	-	-	-	-	12 500	6 104	1 282	-	7 387	5 113
Community & Social Services	235 522	-	154 272	38 568	-	428 362	102 414	28 888	-	131 302	297 060
Public Safety	44 382	-	160 761	34 034	-	239 178	19 690	13 593	-	33 283	205 894
Sport & Recreation	337 968	35 000	112 339	27 085	-	512 391	184 628	50 029	-	234 657	277 734
Waste Management	58 800	12 200	-	-	10 000	61 000	34 646	7 050	7 027	34 668	26 332
Waste Water Management	62 451 507	6 000	2 183 184	29 943	18 000	64 652 634	8 220 053	2 325 304	12 649	10 532 708	54 119 926
Road Transport	64 357 540	133 863	1 761 274	368 196	383 323	66 237 550	8 752 429	2 599 658	269 376	11 082 711	55 154 839
Water	81 565 777	-	1 920 184	-	-	83 485 961	10 095 935	2 772 204	-	12 868 139	70 617 822
Electricity	45 726 652	51 400	2 801 217	27 085	24 200	48 582 154	7 277 969	1 881 201	17 006	9 142 164	39 439 990
	314 915 669	269 463	10 706 552	757 655	470 523	326 178 816	36 610 839	10 917 817	330 655	47 198 001	278 980 815

APPENDIX D - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012
MUNICIPAL VOTES CLASSIFICATION

2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R		2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R
-	(185 007)	(185 007)	Aid Allowances	-	(2 642 765)	(2 642 765)
30 259	(128 982)	(98 723)	Cemetery	29 208	(166 447)	(137 239)
-	(10 804 001)	(10 804 001)	Civic Centre	-	-	-
3 825 271	(3 189 387)	635 884	Cleansing	4 287 224	(2 565 807)	1 721 417
43 905 515	(20 801 204)	23 104 311	Council General	11 865 603	(20 889 398)	(9 023 795)
112 150	(1 066 579)	(954 429)	Douglas Holiday Resort	88 716	(1 066 721)	(978 005)
19 858 084	(16 546 979)	3 311 105	Electricity	16 052 031	(25 093 468)	(9 041 437)
2 180 166	(7 870 772)	(5 690 606)	Finance	32 303 228	(10 693 720)	21 609 508
-	(31 488)	(31 488)	Fire Brigade	-	(31 457)	(31 457)
-	(140 106)	(140 106)	Health Services	-	(180 867)	(180 867)
392	(747 893)	(747 501)	Library's	-	(1 202 748)	(1 202 748)
1 054	-	1 054	Licenses	118	-	118
193 142	(236)	192 906	Commonage	86 708	-	86 708
-	(1 862 455)	(1 862 455)	Municipal Manager	-	(2 604 975)	(2 604 975)
-	(1 000 611)	(1 000 611)	Parks & Recreation	-	(1 213 836)	(1 213 836)
74 160	(193 591)	(119 431)	Properties	79 344	(1 275 134)	(1 195 790)
-	(3 512 325)	(3 512 325)	Public Works: Roads	-	(6 842 023)	(6 842 023)
-	(714 133)	(714 133)	Sanitation	-	-	-
4 465 307	(2 419 333)	2 045 974	Sewerage & Sanitation	5 167 621	(5 097 760)	69 861
-	(160 013)	(160 013)	Storm water Drainage	-	-	-
677 214	(275 586)	401 628	Vehicle Licenses	-	-	-
-	-	-	Interns	-	180	180
-	-	-	Assesment Rates	7 780 744	-	7 780 744
-	-	-	Traffic	-	(77 374)	(77 374)
7 954 108	(2 727 643)	5 226 465	Water	5 538 630	(6 635 681)	(1 097 051)
83 276 822	(74 378 324)	8 898 498	Sub Total	83 279 175	(88 280 001)	(5 000 826)
-	2 346 042	2 346 042	Less Inter-Departmental Charges	-	1 612 357	1 612 357
83 276 822	(72 032 282)	11 244 540	Total	83 279 175	(86 667 644)	(3 388 469)

APPENDIX D - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2011 Actual Income R	2011 Actual Expenditure R	2011 Surplus/ (Deficit) R		2012 Actual Income R	2012 Actual Expenditure R	2012 Surplus/ (Deficit) R
38 159 854	-20 801 204	17 358 650	Executive & Council	11 869 791	-20 889 398	-9 019 607
7 925 827	-8 055 779	-129 952	Budget & Treasury	40 079 784	-13 336 305	26 743 479
267 302	-12 860 283	-12 592 981	Corporate Services	166 052	-3 880 109	-3 714 057
-	-140 106	-140 106	Health	-	-180 867	-180 867
30 651	-876 875	-846 224	Community & Social Services	29 208	-1 369 195	-1 339 987
678 268	-307 074	371 194	Public Safety	118	-108 831	-108 713
112 150	-2 067 190	-1 955 040	Sport & Recreation	88 716	-2 280 557	-2 191 841
3 825 271	-3 903 520	-78 249	Waste Management	4 287 224	-2 565 807	1 721 417
4 465 307	-2 579 346	1 885 961	Waste Water Management	5 167 621	-5 097 760	69 861
-	-3 512 325	-3 512 325	Road Transport	-	-6 842 023	-6 842 023
7 954 108	-2 727 647	5 226 461	Water	5 538 630	-6 635 685	-1 097 055
19 858 084	-16 546 975	3 311 109	Electricity	16 052 031	-25 093 464	-9 041 433
						-
83 276 822	-74 378 324	8 898 498	Sub Total	83 279 175	-88 280 001	-5 000 826
-	2 346 042	2 346 042	Less Inter-Departmental Charges	-	1 612 357	1 612 357
83 276 822	(72 032 282)	11 244 540	Total	83 279 175	(86 667 644)	(3 388 469)

**APPENDIX E(1) - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012
MUNICIPAL VOTES CLASSIFICATION**

	2012 Actual (R)	2012 Budget (R)	2012 Variance (R)	2012 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	5 767 672	7 494 644	(1 726 972)	-23.04%	
Government Grants and Subsidies	41 125 778	46 542 220	(5 416 442)	-11.64%	
Fines	51 450	54 273	(2 823)	-5.20%	
Third Party Payments	87 701	-	87 701	0.00%	
Actuarial Gains	358 348	-	358 348	0.00%	
Service Charges	31 054 175	45 562 164	(14 507 989)	-31.84%	
Rental of Facilities and Equipment	252 656	244 001	8 655	3.55%	
Interest Earned - External Investments	970 293	449 260	521 033	115.98%	
Interest Earned - Outstanding Debtors	472 737	390 889	81 848	20.94%	
Licences and Permits	6 526	6 389	137	2.14%	
Agency Services	532 873	636 495	(103 622)	-16.28%	
Other Revenue	310 660	286 897	23 763	8.28%	
Change in fair value	591 500	-	591 500	0.00%	
Contributed PPE	1 671 477	-	1 671 477	0.00%	
Gains on Disposal of PPE	25 329	-	25 329	0.00%	
Total Revenue	83 279 175	101 667 232	(18 388 057)	1	
EXPENDITURE					
Aid Allowances	(2 642 765)	(3 664 598)	1 021 833	-27.88%	
Cemetery	(166 447)	(233 085)	66 638	-28.59%	
Civic Centre	-	-	-	0.00%	
Cleansing	(2 565 807)	(9 347 661)	6 781 854	-72.55%	
Council General	(20 889 398)	(11 142 600)	(9 746 798)	87.47%	
Douglas Holiday Resort	(1 066 721)	(1 774 672)	707 951	-39.89%	
Electricity	(25 093 468)	(31 837 185)	6 743 717	-21.18%	
Finance	(10 693 720)	(19 719 631)	9 025 911	-45.77%	
Fire Brigade	(31 457)	(469 851)	438 394	-93.30%	
Health Services	(180 867)	(313 948)	133 081	-42.39%	
Library's	(1 202 748)	(1 745 223)	542 475	-31.08%	
Commonage	-	(319 000)	319 000	-100.00%	
Municipal Manager	(2 604 975)	(2 927 851)	322 876	-11.03%	
Parks & Recreation	(1 213 836)	(1 632 127)	418 291	-25.63%	
Properties	(1 275 134)	(1 702 716)	427 582	-25.11%	
Public Works: Roads	(6 842 023)	(8 525 058)	1 683 035	-19.74%	
Sewerage & Sanitation	(5 097 760)	(5 279 500)	181 740	-3.44%	
Interns	180	(1 450 000)	1 450 180	-100.01%	
Traffic	(77 374)	(670 344)	592 970	-88.46%	
Water	(6 635 681)	(23 131 991)	16 496 310	-71.31%	
Less Inter-Departmental Charges	1 612 357	-	1 612 357	0.00%	
Total Expenditure	(86 667 644)	(125 887 041)	39 219 397	(8)	
SURPLUS / (DEFICIT) FOR THE YEAR	(3 388 469)	(24 219 809)	20 831 340	(7)	

APPENDIX E(1) - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2012 Actual (R)	2012 Budget (R)	2012 Variance (R)	2012 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	5 767 672	7 494 644	-1 726 972	-23.04%	
Government Grants and Subsidies	41 125 778	46 542 220	-5 416 442	-11.64%	0
Fines	51 450	54 273	-2 823	-5.20%	0
Third Party Payments	87 701	-	87 701	0.00%	
Actuarial Gains	358 348	-	358 348	0.00%	
Service Charges	31 054 175	45 562 164	-14 507 989	-31.84%	
Rental of Facilities and Equipment	252 656	244 001	8 655	3.55%	
Interest Earned - External Investments	970 293	449 260	521 033	115.98%	
Interest Earned - Outstanding Debtors	472 737	390 889	81 848	20.94%	
Licences and Permits	6 526	6 389	137	2.14%	
Agency Services	532 873	636 495	-103 622	-16.28%	
Other Revenue	310 660	286 897	23 763	8.28%	
Change in fair value	591 500	-	591 500	0.00%	
Contributed PPE	1 671 477	-	1 671 477	0.00%	
Gains on Disposal of PPE	25 329	-	25 329	0.00%	
Total Revenue	83 279 175	101 667 232	-18 388 057	1	
EXPENDITURE					
Executive & Council	-20 889 398	-11 142 600	-9 746 798	87.47%	
Budget & Treasury	-13 336 305	-24 834 229	11 497 924	-46.30%	
Corporate Services	-3 880 109	-4 949 567	1 069 458	-21.61%	
Health	-180 867	-313 948	133 081	-42.39%	
Community & Social Services	-1 369 195	-1 978 308	609 113	-30.79%	
Public Safety	-108 831	-1 140 195	1 031 364	-90.46%	
Sport & Recreation	-2 280 557	-3 406 799	1 126 242	-33.06%	
Waste Management	-2 565 807	-9 347 661	6 781 854	-72.55%	
Waste Water Management	-5 097 760	-5 279 500	181 740	-3.44%	
Road Transport	-6 842 023	-8 525 058	1 683 035	-19.74%	
Water	-6 635 685	-23 131 991	16 496 306	-71.31%	
Electricity	-25 093 468	-31 837 185	6 743 717	-21.18%	
Less: Interdepartmental Charges	1 612 357	-	1 612 357	0.00%	
Total Expenditure	-86 667 648	-125 887 041	39 219 393	(4)	
SURPLUS / (DEFICIT) FOR THE YEAR	-3 388 473	-24 219 809	20 831 336	(3)	

APPENDIX E (2) - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
MUNICIPAL VOTES CLASSIFICATION

	2012 Actual	2012 Under Construction	2012 Total Additions	2012 Budget	2012 Variance	2012 Variance
	R	R	R	R	R	%
Council general	224 913	-	224 913	224 920	(7)	0.00%
Electricity	2 828 302	-	2 828 302	5 105 432	(2 277 130)	-44.60%
Finance	820 890	-	820 890	347 962	472 928	135.91%
Fire Brigade	42 772	-	42 772	-	42 772	0.00%
Library's	192 840	-	192 840	200 000	(7 160)	-3.58%
Municipal manager	800 262	-	800 262	820 780	(20 518)	-2.50%
Parks & recreation	139 423	-	139 423	195 000	(55 577)	-28.50%
Public works: roads	2 129 470	-	2 129 470	1 147 785	981 686	85.53%
Sewerage and sanitation	2 213 127	-	2 213 127	6 701 032	(4 487 905)	-66.97%
Vehicle licenses	152 023	-	152 023	457 784	(305 761)	-66.79%
Water	1 920 184	-	1 920 184	17 980 510	(16 060 326)	-89.32%
Total	11 464 207	-	11 464 207	33 181 205	(21 716 998)	-65.45%

APPENDIX E (2) - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2012
ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS
GENERAL FINANCE STATISTIC CLASSIFICATIONS

	2012 Actual	2012 Under Construction	2012 Total Additions	2012 Budget	2012 Variance	2012 Variance
	R	R	R	R	R	%
Executive & Council	224 913	-	224 913	224 920	(7)	0.00%
Budget & Treasury	820 890	-	820 890	347 962	472 928	135.91%
Corporate Services	800 262	-	800 262	820 780	-20 518	-2.50%
Community & Social Services	192 840	-	192 840	200 000	-7 160	-3.58%
Public Safety	194 795	-	194 795	457 784	-262 989	-57.45%
Sport & Recreation	139 423	-	139 423	195 000	-55 577	-28.50%
Waste Water Management	2 213 127	-	2 213 127	6 701 032	-4 487 905	-66.97%
Road Transport	2 129 470	-	2 129 470	1 147 785	981 686	85.53%
Water	1 920 184	-	1 920 184	17 980 510	-16 060 326	-89.32%
Electricity	2 828 302	-	2 828 302	5 105 432	-2 277 130	-44.60%
Total	11 464 207	-	11 464 207	33 181 205	(21 716 998)	-65.45%

APPENDIX F - Unaudited
SIYANCUMA LOCAL MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 1 JULY 2011	Contributions during the year	Transfer	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 JUNE 2012
UNSPENT/UNPIAD CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS	R	R		R	R	R	R
Library Project	663 089	503 000	-	-	95 925	192 840	877 324
Brickmaking Project	2 717	-	-	-	820	-	1 897
Housing Schmidtsdrift	(1 525 950)	-	-	-	-	-	(1 525 950)
Douglas/Bongani Parks	10 946	-	-	-	-	-	10 946
WSA Capacity Building Programme	(27)	-	-	-	-	-	(27)
FMG	-	1 450 000	-	-	1 416 775	33 225	-
Drought Relief	951	-	-	-	-	-	951
MSIG	(51 816)	790 000	51 816	-	790 000	-	-
MIG	8 432 402	16 910 000	-	-	-	4 528 506	20 813 896
Schmidtsdrift Electrification	(9 873)	-	-	-	-	-	(9 873)
Impumelelo Awards HIV/AIDS	21 092	-	-	-	-	-	21 092
Learnership De Aar	22 029	-	-	64 350	86 379	-	-
Siyancuma Town Planning	(1 096 971)	-	-	-	-	-	(1 096 971)
LG Seta	51 697	79 097	-	-	-	-	130 794
Sports Development	12 079	-	-	-	-	-	12 079
Excess Road Mathlomola	(230 154)	-	-	-	-	-	(230 154)
EPWP	(802 625)	-	-	-	-	-	(802 625)
Royalties Mines (Streets)	45 787	-	-	-	-	-	45 787
Department of Minerals & Energy	687 131	2 308 000	-	-	-	2 367 199	627 932
Total	6 232 504	22 040 097	51 816	64 350	2 389 899	7 121 770	18 877 098